Daily Report

East Europe

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NOTICE TO READERS: • indicates material not disseminated in electronic form.

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Ramiz Alia Meets With Tirana Intelligentsia

AU1008191090 Tirana Domestic Service in Albanian 1800 GMT 10 Aug 90

[Text] Comrade Ramiz Alia, first secretary of the Albanian Workers Party [AWP] Central Committee and president of the Presidium of the People's Assembly, met a group of representatives of the capital's intelligentsia in the Palace of Congresses today. The group included writers, journalists, actors, musicians, teachers from the Enver Hoxha University of Tirana, and others. Xhelil Gjoni, first secretary of the Tirana District Party Committee, also took part in the meeting, which included wide-ranging and analytical topics concerning emerging problems resulting from implementation of the recent party Central Committee plenum's decisions .

Problems concerning the elucidation of the international situation took an important place in this discussion. Comrade Ramiz Alia spoke at length about recent world developments, especially events in East Europe, the guidelines of our country's foreign policy, and the stands of the AWP and the Albanian state on specific aspects of this situation. He stressed that our party and state are led and will be led in every activity by the sacred aim of preserving the freedom and independence of the homeland, the power of the people, and socialism in Albania.

Assessing the role of our intelligentsia, who have always been closely tied to the destiny of the people, the homeland, and socialism, Comrade Ramiz Alia demanded they continue to give their vital contribution in explaining in a persuasive and cultured way the measures for solving the problems facing our country in today's complicated international situation.

Those present at the meeting expressed many fresh and constructive views and suggestions on how to implement the decisions of the recent party Central Committee plenums faster and more effectively. They stressed that it is necessary to deeply and thoroughly analyze the decisions, so that they can be correctly adopted and applied, and they expressed their readiness to take part in this process.

To do this as well as possible, they stressed, party and state organs, scientific and cultural institutions, and all social bodies must provide fuller and better information about their activities. The special role of the press and propaganda in radically revolutionizing information was also pointed out. All this will provide more help to the explicatory, persuasive, and educational work of communists with the masses and their mobilization to cope with situations and fulfill their tasks.

Their was also much discussion about the difficulties of democratizing the country's life, such as those concerning relations between cadres and the masses, the struggle against bureaucracy and liberalism, the protection of socialist legality, and so forth.

Many just comments were made on these issues, and it was concluded that there is every opportunity of eliminating weaknesses and shortcomings with more vigorous, well-conceived, and organized work. Comrade Ramiz repeated again in his interjections that the process of democratization in our country is irreversible. He explained the political, ideological, and practical meaning of the many measures the party and the people's power have recently taken in the political, economic, cultural, and social fields. He also paused to explain various key features of the new economic mechanism, whose consistent implementation will doubtless lead to our country's speedy and significant transformation and progress. Comrade Ramiz said that this will mean working not only with great mobilization and dedication, but with skill and imagination, in order to overcome the difficulties which will naturally emerge.

He said that refinements in the political system are particularly important, in increasing the role of elected bodies, strengthening the independent role of the mass organizations, defining better relations between the party and the state, refining the electoral system for the People's Assembly and the People's Councils, democratically appointing managing cadres in economic and state apparatuses, etc.

The discussion, which lasted several hours and took place in a warm and forthright atmosphere, was marked by a high spirit of readiness, a feeling of patriotism, and a serious commitment and determination to put everybody's creative energies in the service of the people and the socialist homeland.

Ministry Backs Resolution on Kuwaiti 'Annexation'

AU1008183490 Sofia Domestic Service in Bulgarian 1730 GMT 10 Aug 90

[Text] The Ministry of Foreign Affairs has issued the following statement: The Bulgarian Government fully supports UN Security Council Resolution No. 662 of 9 August, which declares that the annexation of Kuwait is illegal and invalid.

Bulgaria will continue to support the efforts of the world organization aimed at achieving the immediate and unconditional withdrawal of foreign troops from the territory of Kuwait and the restoration of the power of the lawful Government of the State of Kuwait, and of Kuwait's sovereignty, independence, and territorial integrity.

Trucks Headed for Iraq Turned Back at Border

AU1008183690 Sofia Domestic Service in Bulgarian 1730 GMT 10 Aug 90

[Text] BTA has received from the Ministry of Internal Affairs the following report on the situation at the Kapitan Andreevo border crossing point.

During the night of 8-9 August, the Turkish border authorities officially notified representatives of the Bulgarian border check point of instructions they had received from Ankara to refuse entry to freight trucks traveling to Iraq and Kuwait, including trucks with Turkish registrations. As a result of these measures, all the trucks en route were stopped on Bulgarian territory.

At a further meeting with the Turkish representatives, the latter stated that they would only permit the passage of trucks loaded with medicines and perishable food products.

In view of the overall complications in the road transport situation in the region of the border crossing point, the Bulgarian side has taken measures to inform the drivers of such trucks in advance of the situation which is arising, and to divert them in good time in another direction.

Agreement Set on Evacuating Citizens in Kuwait

AU1208182090 Sofia BTA in English 1731 GMT 12 Aug 90

[Text] Sofia, 12 Aug (BTA)—The Bulgarians who are in Kuwait now will be able to return to Bulgaria. It was announced on the Bulgarian Television tonight that Bulgaria and Iraq had reached an official agreement for their evacuation. At the moment there are 352 Bulgarians in Kuwait.

Economic 'Consequences' of Gulf Crisis Viewed

AU1108193090 Sofia BTA in English 1904 GMT 11 Aug 90

[Text] Sofia, 11 Aug (BTA)—In one year Bulgaria was to receive 2,640,000 tons of oil from Iraq. A high-ranking official of the Ministry of Foreign Affairs released information as to the economic consequences of the Gulf crisis in Bulgaria on television tonight.

Iraq owes Bulgaria 1.2 billion dollars; the country is Bulgaria's biggest debtor. In March an agreement was concluded according to which Iraq was to pay off its debt to Bulgaria in the 1990-1994 by supplying her with oil. Iraq undertook to deliver a total of 4,750,000 tons of oil within this period. This year Bulgaria was to receive yet another 140,000 tons of oil.

Valentin Bozhilov, the high-ranking official of the Ministry of Foreign Affairs, said that Iraq owes money to the Soviet Union too, and that this debt is paid also by delivering oil to the USSR. Due to certain difficulties which it is facing now, the Soviet Union actually rechannels to Bulgaria the oil which Iraq owes to it. By the end of this year 2.5 million tons of oil were to be delivered.

Mr. Bozhilov said that Iraq has not yet given permission for the evacuation of the Bulgarian citizens who are in Kuwait.

Lukanov Flies to Paris for 'Short Working Visit'

AU1008181090 Sofia Domestic Service in Bulgarian 1730 GMT 10 Aug 90

[Text] Today Council of Ministers Chairman Andrey Lukanov arrived in Paris on a short working visit. He has meetings planned with French Prime Minister Michel Rocard and Foreign Minister Roland Dumas. It is expected that tomorrow, in the Bulgarian Embassy in Paris, Andrey Lukanov will meet Jacques Delors, chairman of the EC Commission.

According to a REUTERS report citing diplomatic sources, the Bulgarian prime minister will probably ask France and the EC to help Bulgaria neutralize the consequences of the ban announced by the UN on trade with Iraq. According to the diplomats, Bulgaria and other East European countries are alarmed by the consequences of the UN embargo on trade with Iraq on their troubled economies, REUTERS says.

Said To Request Help Against Embargo

AU1008190090 Sofia BTA in English 1809 GMT 10 Aug 90

[Text] Sofia, 10 Aug (BTA)—Premier Lukanov arrived today in Paris to pay a one-day working visit there.

On leaving Sofia Premier Lukanov, whose report on the work of the government was sharply criticized by the opposition in the Grand National Assembly, refused to announce the purpose of his visit. But a little later it became known from diplomatic sources in the capital of France that he had asked for a meeting with Prime Minister Rocard and Foreign Minister Dumas.

Diplomats consider that Mr. Lukanov would ask France and the European Communities to help Bulgaria neutralize the consequences of the ban on trade with Iraq declared by the United Nations. Bulgaria joined the ban, but the country was negotiating the delivery of oil with Iraq after last month Bulgaria's main supplier for this raw material—the Soviet Union, drastically cut its exports and demanded payments in hard currency for future supplies.

According to Western diplomats Mr. Lukanov's government was going to sign a barter deal with Baghdad and barter arms for petrol. The occupation and the annexation of Kuwait, however, made it impossible to conclude the deal.

Meets With Rocard, Dumas

AU1208143490 Sofia BTA in English
2014 GMT 11 Aug 90

[Text] Plovdiv, 11 Aug (BTA)—Prime Minister Andrey Lukanov ended his visit to France. There he had meetings with Prime Minister Michel Rocard and Foreign Affairs Minister Roland Dumas.

The immediate purpose of his visit, however, was the business meeting he had with the president of the commission of the European Communities, Mr. Jacques Delors. As it is known, of late our relations with the EC have been developing rather dynamically in a positive direction, but the situation and the economic problems we are facing now in particular make it necessary to speed up this process and to seek new forms of a deeper integration with this powerful grouping of European states, Mr. Lukanov told a BTA reporter.

Mr. Andrey Lukanov denied that the reasons for his visit was the oil crisis created after the Bulgarian deals with Iraq were spoilt. He explained that an agreement had been reached for the meeting before the crisis culminated in the annexation of Kuwait and before the embargo resolution of the United Nations Security Council was adopted. The Bulgarian prime minister said that this problem was also discussed because it would aggravate the situation in Bulgaria which is one of the countries that would be more severely hit by the embargo. But this is just another reason for more active cooperation added to the basic ones we had before the Gulf crisis and they will be still valid after the crisis is over, Mr. Lukanov said.

According to Mr. Lukanov France appreciates the latest developments in the political situation in Bulgaria, the fact that after a period of tension the situation in the country has tangibly eased, the fact that the political forces more and more confidently find common grounds and seek dialogue. This is highly appreciated both by the European communities and France, the prime minister repeated and added, "I was left with the impression that the further development in the direction of stabilization of the democratic process in the internal political and economic situation will strongly enhance Bulgaria's chances of getting support."

According to Mr. Andrey Lukanov now possibly Bulgaria's economic relations will enter a new stage. Some contacts with the EC commission on the level of experts and on a higher level were agreed. We could expect in the next one or two months new steps of rapprochement and, I hope, of material aide for our economic reform, which actually was the main topic of the discussion we had, he underlined.

Mr. Lukanov said that the position of principle which Bulgaria took on the crisis in the Middle East despite its economic price is positively assessed. I personally would like to hope that this fact would be taken into consideration when the concrete problems of cooperation with Bulgaria and the support she could rely on for continuing her reform are discussed, he said.

I think that we have reason to be optimistic especially when our relations with Western Europe are concerned, Mr. Lukanov said. We should go along the road we have embarked on, he stated.

Lukanov Accuses Opposition of Delaying Reforms

AU1108185890 Sofia BTA in English
1821 GMT 11 Aug 90

[Text] Sofia, 11 Aug (BTA)—We wasted time, but the speeding up of the reform and the taking of more decisive steps in this direction could have been possible only if already in February the formula of a coalition government had been accepted, Prime Minister Andrey Lukanov stated in an interview broadcast by the Bulgarian Television this evening. He underlined that it would have been possible to start the reform a few months earlier and that it was not the government that is to be blamed for not making a better use of the wasted time. Those who refused to cooperate and help achieve the consensus, without which it was, and still is, impossible to implement a sweeping reform, are to be blamed for it, Mr. Lukanov said. The report of the government presented by Mr. Andrey Lukanov was severely criticized by the opposition.

The prime minister, who heads a caretaker government after its resignation, pointed out that it has never pretended to carry out the reform before the election of the Grand National Assembly.

Opposition Members Criticize Lukanov's Cabinet

AU1008150090 Sofia BTA in English
1322 GMT 10 Aug 90

["Lukanov's Cabinet Criticized Sharply"—BTA headline]

[Text] Sofia, 10 Aug (BTA)—Incompetence, irresoluteness and indecisiveness—these are the words used to qualify Premier Lukanov's report in parliament today. The opposition accused him of having burnt the bridgeheads to a real economic reform.

Opposition M.P. Ivan Kostov, an economic expert of the Union of Democratic Forces, said that Lukanov's report was unfair and inept. "The government lacks the sense of duty needed to publicly avow this is Bulgaria's third national catastrophe," Kostov said. He accused Lukanov of trying to evade the responsibility for his own failure.

Social gains have been devaluated as a result of the destruction of the market, prices have been "liberalized" but in actual fact they are monopolistically fixed, the bureaucratic structures are still intact, the living standards are dropping and the cost of living is soaring, Bulgaria is bending her knee to her creditors in an increasing isolation from the world market—this is how the opposition characterized the situation after the six-month one-party rule of the government of the Bulgarian Socialist Party (BSP).

There is neither reform, nor security, Kostov said, and blamed Lukanov for "tossing over the administration as though it were the key of a car that has crashed."

The opposition subjected Lukanov and his cabinet to criticism because instead of laying the beginnings of the economic reform, they took chaotic and incoherent steps. Private enterprise has been given no impetus, the progress to privatization is very slow, the foreign debt has been mismanaged. The opposition is discontented that the bank did not present a report and that there was no information as to the cash balance and the protocols of the former Currency Affairs Commission.

The debates on Lukanov's report will be resumed on Tuesday. The M.P.'s will adopt a decision on it, in which some conclusions should be made about the work of the next government.

Zhelev on Future Tasks, 'Democratic' Ambitions

AU1108171090 Sofia DEMOKRATSIYA in Bulgarian 2 Aug 90 p 1

[Report on interview with President Dr. Zhelyu Zhelev by Georgi Georgiev-Gesh, in Sofia on 1 August: "Dr. Zhelyu Zhelev: A Reforming Program"]

[Text] My colleagues who were in the National Assembly last night [1 August] know how difficult it is to put a few questions to Dr. Zhelyu Zhelev. We got in each other's way simply because there were so many of us. My only chance was to use the few minutes during which he was going to the People's Palace of Culture.

[Georgiev-Gesh] Dr. Zhelyu Zhelev, could you list the chief tasks that you consider it your duty to fulfill as president of the Republic?

[Zhelev] My chief desire is to ensure the democratization of the country, guarantee the peaceful transition to democracy in Bulgaria, establish parliamentary democracy, adopt a democratic constitution as soon as possible, and carry out the main reforms in the political and economic fields. These are great tasks, and I think that, if we succeed in fulfilling them, we will indeed have fulfilled our duty to the Bulgarian people.

[Georgiev-Gesh] Many sympathizers of the Union of Democratic Forces [SDS] are now asking what will happen to the opposition. You personify its unity. Will it remain united in the future?

[Zhelev] I believe that the opposition will continue to be united, because what welds it together is not a some single personality or other, but the wishes of millions of Bulgarians. Anyone who may decide to abandon the united opposition and leave the ranks of the SDS runs a very great risk, namely losing his influence. That is why the leaders of the individual parties and organizations are striving to remain in the union and not to destroy its unity.

[Georgiev-Gesh] What is the most important thing to do in the first weeks or months?

[Zhelev] First of all, the main political groupings must hold detailed consultations on forming a strong and competent government which must set about quickly resolving problems. Of course, this government is only possible on the basis of a major reform program approved by the Grand National Assembly. Only then will it be strong and effective.

[Georgiev-Gesh] There are so many problems; where should one start?

[Zhelev] More intensive contacts must be sought, as well as possibilities for broadening economic links and obtaining technological assistance to develop business—all this can stimulate our economy and serve as a basis for more painless development in the economic field. I think that the fact that the presidential office has now fallen into the hands of a man from the opposition will be of importance in our international relations.

[Georgiev-Gesh] Does this mean that you will establish strong foreign political contacts, in addition to dealing with domestic political issues?

[Zhelev] I plan to hold meetings and talks with representatives of the developed countries, and to make visits, which would provide opportunities for wider contacts with the purpose of seeking such aid.

[Georgiev-Gesh] You visited Poland, Czechoslovakia, the United Kingdom, United States, and France with an SDS delegation. Do you think that the contacts you established then will be useful now?

[Zhelev] Of course!

The car stopped in front of the People's Palace of Culture. In a moment it was surrounded by thousands of citizens chanting: "Congratulations! Congratulations!"

Semerdzhiev Pledges Support for President Zhelev

AU1008154890 Sofia POGLED in Bulgarian No. 32 6 Aug 90 p 8

[Interview with Vice President Atanas Semerdzhiev by unidentified POGLED reporter; place and date not given]

[Text] [POGLED] You rejected the appeal of 100 deputies from the Union of Democratic Forces [SDS] to withdraw your resignation as interior minister on the grounds that the situation within the country fills you with gloomy misgivings. Were these feelings based on any specific information?

[Semerdzhiev] No, they were not. I was thinking of the fact that the processes which are developing in the country bode no good for Bulgaria.

[POGLED] Are you a little less alarmed now that Dr. Zhelyu Zhelev is president?

[Semerdzhiev] I have the feeling that Dr. Zhelyu Zhelev is firmly resolved to dedicate himself to the noble mission of overcoming the polarization in our society, and achieving national consensus in the name of our country's progress. He will find in me a convinced and active comrade-in-arms. However, Bulgaria faces many complex problems, including those caused by the existing political and psychological incompatibility between the political forces. Because of this, I am as still unable to free myself from my feelings of alarm concerning Bulgaria's future.

Semerdzhiev on Militia's Crowd Control Methods

AU1108182590 Sofia DEMOKRATSIYA in Bulgarian 2 Aug 90 p 1

[Interview with Vice President Atanas Semerdzhiev by Georgi Stefanov; place and date not given: "The Man Who is No. 2"]

[Text] [Stefanov] Mr. Semerdzhiev, however well organized and peaceful they were, the citizens' demonstrations and gatherings, carried away by feeling their new freedom, were something new and strange for everyone. I realize that it is not always easy to draw a dividing line between the permissible and the inadmissible. Some people were annoyed that the militia did not intervene.

[Semerdzhiev] It is not true that the militia did not intervene. The question is regarding the means they used in their intervention. We tried to remove tension through democratic procedures; for example, through direct contacts with political activists who, in our view, could exert influence. We acted in this way on 11 and 12 June, before the elections, when the Ruski and Orlov Most crossroads were blocked. We were helped by Petur Beron, Dr. Petur Dertliev, and Lyubomir Sobadzhiev, and also had contacts with the independent student associations, while we also counted on our own self-control.

[Stefanov] Do think that any other form of intervention on your part would have caused the country to explode?

[Semerdzhiev] Undoubtedly. The ministry has sought effective means, but there were cases where the forces of public order might have had to use the means granted to them by the law.

[Stefanov] However, the law-and-order organs did not intervene even after the issue of the Council of Ministers Decree No. 78. The militia probably had your consent when they adopted a declaration by which, in effect, they refused to implement that decree.

[Semerdzhiev] I share their concern. Their trade union is an independent and nonparty organization, and I think that it will continue to contribute to the prestige of their profession in the future.

Chief of Staff Briefs Zhelev on Army 'Problems'

AU1208150390 Sofia NARODNA ARMIYA in Bulgarian 8 Aug 90 p 1

[Text] It was a working meeting which lasted more than one hour, said Colonel General Khristo Dobrev, first deputy minister of national defense and chief of the General Staff of the Bulgarian People's Army [BPA], in a special statement to NARODNA ARMIYA.

As everyone knows, under the Constitution the chairman (president) is the supreme commander in chief of the country's Armed Forces, and it was in this capacity that the president asked to be briefed on the state of the Armed Forces and their problems. He evidently wishes to form his opinion in this field.

The meeting took place in the National Assembly building, and was also attended by the deputy chairman (vice president), Colonel General Atanas Semerdzhiev. I briefed the president on the tasks of the Armed Forces, their composition, and the main principles for their development; on the numbers and effective strength of the BPA, the Army's structure, methods of combat training, its education, and financial, material, and technical support; and on the problems of managing the Army in peacetime. The information was detailed; the president listened to my report with interest, and asked certain questions which showed that he is very interested in these topics. For him, this is the first step in familiarizing himself with military problems. He himself expressed the view that further meetings will be needed later, and new talks, which is to be fully expected.

However, this meeting was not aimed at giving the president the opportunity to express his viewpoint on these problems. It would certainly have been premature for him to express a view on military matters, but he did display pronounced interest in military affairs.

Parliament Debates Government's Report, Adjourns

AU1008132990

[Editorial Report] Sofia Domestic Service at 0700 GMT on 10 August carries a live relay of the 18th session of the Seventh Grand National Assembly in Sofia. The reporter is Elena Shtereva.

At 0709 GMT, Ginyo Ganev, deputy chairman of the Grand National Assembly, announces the day's agenda as follows:

1. Debate on the report of Andrey Lukanov, chairman of the Council of Ministers.
2. Debate of the draft resolution on the ecological situation at the Topolnitsa Reservoir.
3. Debate on the mandates of certain National Assembly deputies.
4. Debate on state properties.

The agenda is adopted. Ganev explains that the discussion of the prime minister's report will continue until the lunchtime recess at 1000 GMT, and resume on 14 August, since Prime Minister Lukanov has to leave the country this afternoon, returning on Tuesday.

At 0723 GMT, the debate on Lukanov's report opens, interrupted by a recess between 0930 and 0950 GMT, after which Chairman Nikolay Todorov takes the chair. In her summary of the debate, reporter Elena Shtereva notes: "Nine members spoke. Many of the members drew attention to the contradictions between the report and what was actually achieved during the period under review, and to the mutual links between the implementation of the economic reform and financial aid from abroad. The people's deputies also brought to the attention of the government specific problems regarding the foreign debt, the internal debt, the accountability report of the Bulgarian National Bank, and on the reports of the foreign trade commissions during the past 10-15 years."

"Member Ivan Kostov," continues Shetereva, "made an extremely critical speech concerning facts contained in the government's report, and accused the government of failing both to implement a reform and to provide stability."

In addition, Atanas Ganev, Socialist member for Karnobat, makes a speech of support for the government report on behalf of the Bulgarian Socialist Party parliamentary group. Khristo Khristov, speaking for the Bulgarian National Agrarian Union (BZNS) group, spearheads a strong opposition attack on the government's performance.

At 1045 GMT, Chairman Todorov cuts short the debate. A commission is then approved to prepare a parliamentary resolution on the government's report.

At 1049 GMT, the debate follows on the draft resolution on the ecological problems of Topolnitsa Reservoir, item two on the agenda. After discussing various amendments, the resolution is passed by a large majority at 1118 GMT.

At 1122 GMT, under item three on the agenda, letters are read from three Socialist members seeking to give up their seats because of illness or the pressure of other commitments. The members are: Writer Yordan Dimitrov Radichkov, member for Mikhaylovgrad; Ivan Tomov Kararizov, member for Blagoevgrad; and Georgi Atanasov Khristov, member for Ruse. The Bureau of the Grand National Assembly recommends that their applications be granted. Amid accusations of "manipulation" and "unethical conduct" by opposition members, and strong criticism of Yordan Radichkov, who has failed to appear in parliament at all, accompanied by considerable unrest, Chairman Todorov puts forward a motion that the vote on accepting the resignations be postponed. The result of the vote is: 136 for postponement, 135 against, and eight abstentions.

After various announcements, Chairman Todorov closes the sitting at 1156 GMT. It is announced that parliament will convene again at 1200 GMT on Tuesday, 14 August.

Parliamentary, Public Debate on Pollution Issues

AU1008123890 Sofia BTA in English
0819 GMT 10 Aug 90

["Environment Problems: Any Way Out?"—BTA headline]

[Text] Sofia, 10 Aug (BTA)—After debating the matter at two sittings, parliament failed to adopt a decision on the Topolnitsa Dam, whose waters are seriously contaminated with arsenic. The Ministry of the Environment announced a national competition to cope with the problems of the dam.

Today's "TRUD" quotes an M.P. [member of parliament] telling the Grand National Assembly that if the non-ferrous metal works in the town of Srednogorie, which is the main polluter of the dam, goes out of business, some 2,500 people will lose their jobs. Pollution has reached a critical point not just in Srednogorie but also around the towns of Plovdiv, Kurdzhali and Pernik, as a result of decades of misguided technological and economic operations and underrating the hazardous industrial wastes which poison the air, the water and the soil, "TRUD" points out.

While the M.P.'s are debating the Topolnitsa problem, the local branch of Ecoglasnost in the town of Silistra on the Danube protests against the government's decision to build a cellulose works in the municipality. The Ecoglasnost association approached the Supreme Court with a request to overrule this decision, but the Supreme Court turned down the request, saying that the Ecoglasnost protest is premature. The environmentalists, however, believe that two flagrant violations have not been taken into account: The local council has not given its consent, and no site has been fixed for the construction of the works.

Today's "SVOBODEN NAROD" reports the condition of some Bulgarian rivers. The river Tundzha, which

passes through the towns of Kazanluk, Sliven and Yambol, receives the industrial effluents and household waste water of these population centers and waste treatment plants do not function everywhere. The chemical combined works in the town of Stara Zagora pollutes the nearby rivers Bedechka and Sazliyka. Last year the works were fined over 17,000 leva but, as the paper observes, no Bulgarian enterprise has been daunted so far by the pollution fines it pays.

Parliamentary Resolution on Topolnitsa Reservoir

AU1008145890 Sofia BTA in English
1337 GMT 10 Aug 90

[Text] Sofia, 10 Aug (BTA)—The critical situation of the Topolnitsa Dam, the water of which is polluted by the Georgi Damyanov Copper Works with arsenic compounds exceeding the admissible concentration, was the second problem on which the Grand National Assembly has taken a stand.

Posed by the opposition and supported by the M.P.'s of the Bulgarian Socialist Party, this problem has been on the agenda of the parliamentary sittings for three days. Besides the high arsenic content, there is the danger of the dam's spilling over and contaminating the soil and the water sources in other regions, too. Before the problem was sharply posed by the Ecoglasnost Independent Movement, the water of the dam was used for irrigation, mixed with the clean water of another dam. Until 1986 the irrigation waters contained 0.4-0.5 mlg/l [milligrams per liter] arsenic. After 1986 the standard of the CMEA [CEMA] member-countries was adopted which is 0.2 mlg/l. The FAO standard is 0.1 mlg/l.

Today the Grand National Assembly made a decision binding the Georgi Damyanov Copper Works to stop tapping out its waste waters into the dam until they are cleaned down to the admissible concentration of 0.2 mlg/l arsenic. The Council of Ministers was assigned the task to refer to the specialized institutions of the European Communities asking them for technical and financial aid in view of the improvement and control of the situation in the area around the copper works. The officials responsible for the present situation will be taken to task by the prosecuting magistracy.

Public Health Minister Ivan Chernozemski announced today that 2,400 children had been examined and there already are some data showing their health is harmed.

The Georgi Damyanov Copper Works was commissioned in 1958. It is the main producer of electrolytic copper and sulphuric acid in the country. Since then decisions about the ecologization of the production have been repeatedly made, but the implementation of none was brought to the end.

DUMA Views Beron's Election as SDS Leader

AU1008164090 Sofia DUMA in Bulgarian
6 Aug 90 p 4

[Borislav Braykov article: "Beron Replaces Zhelev—Castling on the King's or the Queen's Side?"]

[Text] On Friday [3 July] the Coordinating Council of the Union of Democratic Forces [SDS] elected a new chairman. According to certain information, Zhelyu Zhelev did not vote, as he had always done previously. The result of the vote was eight to six for Petur Beron and against Dr. Dertliev.

Having been a uniting figure in the opposition, Zhelyu Zhelev now has the difficult task of uniting the nation—at least regarding matters of fateful concern. May he succeed in this....

Petur Beron, a man whose name was persistently mentioned in the parliamentary lobbies in connection with the presidential post, and who, again, according to lobby sources, was chiefly not supported by his own side, on Friday became the new leader of the opposition.

This shifting around of the figures in the game of political chess being played in Bulgaria, has revealed a few things. First of all, they once again confirm the natural and inevitable course of the changes under way in our country and their connection, by and large, with the processes in East Europe. Those who deluded themselves that the opposition could be kept out of positions of power are now severely disappointed. Second, the opposition has displayed the consistency inherent in mature political formations. Petur Beron is certainly not the man with the greatest political influence among the opposition leaders, but he is undoubtedly the man who is needed. He is the politician closest to Zhelyu Zhelev—not only in age, but also in a number of qualities: flexibility, erudition, personal presence, an ability to listen to others' views—including those of his opponents—and last, but not least, influence among the Bulgarian intelligentsia—something on which the opposition greatly relies. Petur Beron enjoys the respect of his opponents, the leaders of the main political parties, and this will help him. At the same time, in the election campaign he frequently displayed a lack of restraint, which won him enemies—and rather implacable ones—especially in certain areas of the country. He will need to show great political tact and make considerable efforts in order to find a way to approach them. Whether or not he also creates new enemies largely depends on his political skills.

It is said that Beron represents the "moderates" within the SDS Coordinating Council. However, will he manage to keep to the line of constructive opposition and will he succeed in counteracting the extremist tendencies which are delaying the solving of the country's problems through actions outside parliament? The assessment which history will give of Petur Beron's policies will depend on the solution of these issues. That same assessment will also answer the question whether the

opposition simply changed its leader on Friday, or whether a change also took place in the line it is following—i.e. was it a castling on the king's or the queen's side.

It is worthwhile also to consider another fact. Dr. Dertliev, a man with quite a high "rating" in the eyes of many people, was disregarded last week on two occasions—first, in parliament, and second, in the SDS Coordinating Council. There were probably many reasons for this, and these are unlikely to be connected with his age. It seems clear that certain forces within the SDS are afraid—and not for the first time—of additional "injections" of an excessively strong Social Democratic Party. One thing is certain: We are living in a historical period in which some people also call the compromises historic. Some people can make compromises, others cannot. The events of the past arranged things to remind us of them, and to ensure that we do not forget them.

Fatherland Union Issues Call for 'New Government'

AU1208193190 Sofia DUMA in Bulgarian 9 Aug 90 p 2

[Text] The National Council of the Fatherland Union has issued a declaration urging the Grand National Assembly to promptly approve a new government. This government should adopt energetic and competent measures to alleviate the current social tensions in the country and draft a program for overcoming the crisis.

To Make More Housing Available

AU1208195090 Sofia Domestic Service in Bulgarian 1730 GMT 12 Aug 90

[Text] The Fatherland Union has decided to make several housing units that the organization owns in various inhabited settlements available to the public.

This act should contribute to the total elimination of special privileges in the distribution of housing units.

The announcement was made at a meeting between representatives of Fatherland Union leaderships and the Civic Initiative Movement which was held today.

The movement demands that housing units and premises which were so far used by state, economic, and public organs and organizations should be made available to families who are living in extremely difficult housing conditions. The Fatherland Union committed itself to work for the solution of this problem.

Socialist Leaders Accused of 'Dirty Money' Deals

AU1008191590 Sofia BTA in English 1758 GMT 10 Aug 90

["Where Does the Money Come From?"—BTA headline]

[Text] Sofia, 10 Aug (BTA)—Of late former and present top ranking Socialists (formerly Communists) and their children are more and more frequently accused of money laundering through setting up companies, of corruption, string-pulling and profiting on illegal bargains, of suspicious donations.

The rumours alleging that former statesmen and activists of the Communist Party (the present Socialist one) have set up companies were confirmed. Everything is perfectly legal—and in compliance with the now operative Bulgarian laws, "but only rocket production and the destruction of termite nests are missing from the activity of some of them," an angry journalist wrote, and added unambiguously, "that's the way to legalize money."

"What is this money, where, when and how has it been earned?" the opposition papers keep asking, without trying to conceal the suspicion that the question is about "dirty money."

Premier Andrey Lukanov also admitted in his report on the six- month rule of the government that it is not all quite right: He mentioned that the speculative operations involved in the conversion of transferable roubles into hard currency played a definite role in the accruement of unfavourable balances with some countries. "It has been done both by companies and private persons," Mr. Lukanov said.

The Bulgarian Socialist Party separated from the state without any audit, another charge goes. Only in the last four or five years Bulgaria's foreign debt has increased by seven milliards [billion dollars], but there is no satisfactory answer as to where the money has gone. There are just statements about the country's critical situation, but no public analysis has been made.

The companies with international participation raised hell. "Once the money of the nomenclature gets in them, the money can't be traced at all," an opposition expert said in the parliamentary lobbies, and then read from the tribune a declaration in which it was insisted on all parties' declaring their property before making any investments whatsoever in foreign companies. The Socialists immediately realized what it was all about. And one week later they demanded the same, this time adding that the currency receipts of the last seven months (the organized Bulgarian opposition—the Union of Democratic Forces, is younger than that) should also be declared.

There are suspicions as to Robert Maxwell's role in the "stable enterprise" the BSP is. He published Todor Zhivkov's works, the opposition reminded, and pressed Premier Lukanov to explain what exactly Mr. Maxwell's investments were made in, referring to the threats of the latter to draw his money back if a coalition cabinet is not formed—something the opposition persistently refuses to do. According to Lukanov, at present Mr. Maxwell only has "serious intentions" of doing it.

The still timid and modest steps of privatization make the ordinary Bulgarians fear that they will be ruled by the people who were in power until yesterday—they have money, strings to pull and a flair for business. That is why

the debates on a moratorium on the sales of land in the parliament this week spread over state property, too. For the time being it all ended by setting up a working group which is to come out with a proposal on this problem.

BSP Radicals Declare 'War' on Nomenklatura

AU1008204090 Sofia BTA in English 1857 GMT 10 Aug 90

[Text] Sofia, 10 Aug (BTA)—Today the Alternative Socialist Organization (ASO) declared war on the nomenclature and all discredited cadres in different fields of social life.

ASO, the faction of the radicals in the Bulgarian Socialist Party (BSP), consider that the struggle against the nomenclature has yielded some results as far as the top ranking officials are concerned, but at the middle and all lower levels things have not changed in the months following the ousting of Todor Zhivkov on November 10, 1989.

The Council of Representatives of the ASO Clubs in Sofia and in the country decided to enroll the broadest possible social strata in the fight.

An address to the forthcoming BSP congress was approved in which the ASO insists that the former Communist Party should be turned into a social democratic one and that it should join the Socialist International. It is also insisted that all discredited cadres should be expelled from the BSP and that the full-time party apparatus should be cut to 1,000 people.

It is envisaged to collect signatures in support of the address among all members and sympathizers of the BSP.

At the meeting the opinion was expressed that after the elections in June this year the ASO has been gradually losing its initiative in political life, as a result of which its influence has also been dwindling away. But at the same time it was underlined that the faction has a future and that the time has come to breathe new life in it.

Socialist, SDS Figures Forecast Political Trend

AU1108193490 Sofia BTA in English 1848 GMT 11 Aug 90

[Text] Sofia, 11 Aug (BTA)—Next year there will be new parliamentary elections, predicted the Socialist Zakhari Zakhariev in Panorama, the political news programme of the Bulgarian Television. According to him the election of Dr. Zhelyu Zhelev as president is the first act of a scenario in the finale of which there will be new parliamentary elections. He sees the developments in this way: A weak government of experts will be formed and then the Union of Democratic Forces (SDS) will launch an "attack" in parliament; then the opposition will attack the local authorities; he said that these attacks were "blows dealt at the Bulgarian Socialist Party (BSP)." After the possible victory of the SDS in the elections this autumn, a diarchy will be established in the country, the president will dissolve the parliament and set the date for the new elections.

In anticipation of the municipal elections this autumn the political forces in the country (now concentrated in the SDS and the BSP) will be redistributed—this is the opinion of SDS M.P. Petur Staykov expressed in the same television programme. According to him a government made up of experts would suit nobody. The government should be either a one-party or a coalition one. If the SDS accepts the urgent offers for entering a coalition, then the SDS would split and in the end it would be the conservative-minded Communists in the BSP who will gain advantage of it, Staykov said.

Zakhariev and Staykov agreed that the SDS has a clear strategy, but it still lacks the tactical skills the BSP has.

'Town of Truth' Cordons Off Varna Town Hall

AU1208144790 Sofia DUMA in Bulgarian 8 Aug 90 p 3

[DUMA correspondent Nikolay Zhelev report]

[Text] Varna, 7 Aug—This morning, carrying slogans calling for the resignation of the mayor of Varna, a dozen envoys from the "Town of Truth" blocked the entrances to the Varna Municipal People's Council building.

They demanded that a date be set for a council session to discuss abuses. Because the chairman of the Executive Committee of the Varna Municipal People's Council was on vacation, his deputy Atanas Antonov attempted to conduct talks, but only the actor, Yordan Petkov, consented to speak to him. Although he comes from outside Varna, Petkov helped free the main door; after receiving assurance that the abuses would be discussed on 14 September, he helped secure the withdrawal of the group.

In the afternoon calm returned to the square, but no one knows how long it will last.

'Democratic Television' Group Alleges Censorship

AU1108172590 Sofia DUMA in Bulgarian 8 Aug 90 p 2

[Text] The Movement for Democratic Television has prepared its viewpoint on the main problems existing in the Television Committee for the future parliamentary television and radio commission of the Grand National Assembly. On 7 July, the document was distributed at a news conference held in the press club of the Sofia Press Agency.

No television team attended the meeting, although the hosts had issued an invitation. The document of the Movement for Democratic Television states that the existing board of the Television Committee was not proposed by the labor collective, as the previous parliamentary and public commission of the National Assembly was told, but the commission members were misled.

The journalists were told that at present a memorandum has to be submitted to Kevorkyan [leading TV announcer] to ask permission to produce every new program. "This new oriental form of censorship puts the editorial collegiums and the chief editors under a form of total control which was unthinkable even in the time of 'Zhivkovism,'" the document states.

The movement expects that the future parliamentary commission will state its view on the kind of personal qualities and behavior which K. Kevorkyan encourages on the TV screen. It is established that the leading television journalists are becoming models for emulation. They are inculcating a certain kind of ethics and standard of conduct for communication, which is gradually becoming part of the basic national psychological stereotype. The question is: What is K. Kevorkyan creating in the consciousness of the viewer?

The viewpoint of the Movement for Democratic Television notes that none of the board members, including K. Kevorkyan himself, has condescended to say whether he was a collaborator with Department Six of the Ministry of Internal Affairs. Concerning Aleksandur Staykov, leader of the second television team, it is stated that 34 of the 40 reporters have signed a document demanding that he be removed from the editorial board.

It is pointed out that attempts to centralize the feedback from the viewers have failed. It is now said that everyone personally receives the critical letters about their programs and that the letters naturally end up in the wastepaper basket.

Glasnost, Democracy Clubs Meet, Discuss Future

AU1108203490 Sofia BTA in English 1929 GMT 11 Aug 90

[Text] Sofia, 11 Aug (BTA)—Today at a general meeting of the federation with representatives of the Glasnost and Democracy Clubs from all over the country President Zhelyu Zhelev was relieved of his post in the operative leadership of the Federation of the Glasnost and Democracy Clubs in accordance with the requirements laid down in the Constitution. The president of the republic, however, is still a member of the Federation of the Glasnost and Democracy Clubs.

The Glasnost and Democracy Clubs were the nucleus and the mainstay of the Union of Democratic Forces (SDS) in the election campaign and before it, the chairman of the federation, Mr. Petko Simeonov, said in his report. The federation has 23 representatives in the SDS parliamentary group. This accounts for 80 per cent of the nominations, while only 20 per cent of the candidates of the Nikola Petkov Bulgarian Agrarian Party took seats in the Bulgarian Parliament. According to Mr. Simeonov the Glasnost and Democracy Clubs proved to be a stabilizing factor both in the SDS and in the Bulgarian Socialist Party (BSP) (there are members of the BSP in the Glasnost and Democracy Clubs).

Two of the four presidential candidates are members of the Glasnost and Democracy Clubs, Mr. Petko Simeonov reminded.

It was pointed out that some the causes for the loss of the SDS in the elections were underestimating the propaganda apparatus of the BSP and its "impudence" and misjudging the "nature of totalitarian man."

According to Mr. Simeonov it was a mistake to spare the so-called "reformers." It was they who prolonged the Socialist agony by an election injection, he said. They want to "take out" their party of the bog, but the nomenclature will be also rescued along with it. According to him their reform-mindedness is reduced to "anti-Zhivkovism" only.

Mr. Simeonov posed the question of the future of the federation: whether it should remain an association of non-party and party members or it should develop as a party itself.

New Presidential Press Office Established

AU1208193390 Sofia Domestic Service in Bulgarian 1730 GMT 12 Aug 90

[Text] As of tomorrow, a press and information center for analysis and political forecasts will be established under the Presidency of the Republic. As Ivaylo Trifonov, head of the President's Office, declared today, the appointment of the spokesman for the head of state, who will also act as chief of the aforementioned press center, and advisers for the president of the Republic, is currently underway.

Soviet 'Economic Migrants' Working in Kurdzhali

AU1108174890 Sofia BTA in English 1510 GMT 11 Aug 90

[Text] Kurdzhali, 11 Aug (BTA)—The first group of workers from the Moldavian SSR [Soviet Socialist Republic] are already working for the bus company in the town. More workers from the same Soviet Republic are expected in the next few weeks. Initially they will work under one-year employment contracts in the transport sector.

The first group includes the first economic migrants from the USSR in Bulgaria. The Bulgarian shops seem to be still "richer" than the Soviet ones and the wages are found satisfactory.

According to information released by the employment agency in the town there are 971 vacancies in different spheres of the economic life, while the registered unemployed are 52 only.

International Labor Office Delegation Visits

AU1008174290 Sofia BTA in English
1613 GMT 10 Aug 90

[Text] Sofia, 10 Aug (BTA)—A delegation of experts of the International Labour Office (ILO) paid a visit here. The purpose of the visit was to familiarize themselves with the legislation regulating employment relations, the market of labour and the labour exchange emerging in the country. The experts took part in a seminar attended by specialists in employment problems of the Committee of Labour and Social Affairs and of other ministries and organizations.

Mr. Lothar Richter, ILO expert, summarized for a BTA reporter the impressions of the representatives of his organization. He said that their mission was part of the international aid Bulgaria would be given.

Referring to the data submitted to him by the end of July, the guest said that the unemployment rate in Bulgaria was still relatively low, but was greatly feared. At present it cannot be predicted if it will grow or not. It would depend on the policy of the government followed with regard to the problems of employment and on the way the transition from a centrally planned economy to a market one is implemented. "If the parliamentary majority decides that the transition to this or that type of economy should be a rapid and sharp one, the government will have to close the unprofitable productions, thus making a lot of workers redundant," Mr. Richter said. According to him, in any case consensus should be achieved not only with the political parties, but with employers and, last but not least, workers.

The guest underlined that the settlement of the problem of unemployment and the growth of the latter depend not only on the government, but on the population, too. He explained his view by the right of the majority to give a non-confidence vote to a government which ignores the will of the former. Time will show what people prefer—high unemployment rates or a low inflation level. [sentence as received]

Foreign Ministry Condemns Kuwaiti 'Annexation'

LD1008155890 Prague Domestic Service in Slovak 1500 GMT 10 Aug 90

[Text] Czechoslovak Ministry of Foreign Affairs condemned the violent annexation of the sovereign and independent state of Kuwait by Iraq as a clear violation of the UN charter and other norms of international law.

Because of the unlawful character of this action, the CSFR welcomes the adoption by the Security Council of the resolution on the Persian Gulf, does not recognize the annexation of Kuwait to Iraq, and will avoid any kind of activity which could be interpreted as an indirect recognition of the annexation of Kuwait.

At the same time, the CSFR calls on Iraq to abandon all the steps which are violating the international law and to make possible for foreigners to leave the country.

'Immediate' Evacuation Sought

LD1008182390 Prague Television Service in Slovak 1730 GMT 10 Aug 90

[Text] The CSFR's permanent representative at the United Nations has been instructed to generate, in coordination with other interested states, activity in the UN Security Council in support of implementing the demands to carry out an immediate evacuation of citizens of foreign countries from Iraq and Kuwait. The CSFR ambassador to Cairo will make the same request to the highest representatives of Arab countries, who are meeting there. Reports from Baghdad confirm that Iraqi authorities continue to refuse to give exist visas to foreigners. The CSFR side is technically ready to immediately begin the evacuation of CSFR citizens by aircraft direct from Iraq or from any airport in neighboring countries.

Departure Access Demanded

LD1208190490 Prague CTK in English 1810 GMT 12 Aug 90

[Text] Prague, 12 Aug (CTK)—The Iraqi ambassador to Czechoslovakia was today summoned to the Federal Foreign Ministry and asked to convey to his government the demand for Iraq to enable the departure of all Czechoslovak nationals from Kuwait and of the family members of Czechoslovak experts working in Iraq home.

A Czechoslovak Foreign Ministry statement today said that according to information from the Czechoslovak Embassy in Baghdad, sufficient transport capacities have been provided for carrying Czechoslovak nationals to the nearest airport. The Czechoslovak airlines is ready to immediately send the required number of planes for the evacuation.

The Iraqi ambassador said that no obstacles existed to the departure of women and children. However, the Czechoslovak Embassy in Iraq has learnt that the exit of foreigners is dependent on the issuing of Iraqi exit visas, which have so far not been granted. The ambassador has been asked to convey to the Iraqi Government an urgent request to make possible the departure of Czechoslovak nationals.

Newspapers Support U.S. Position on Gulf Crisis

LD1108095290 Prague CTK in English 0728 GMT 11 Aug 90

["Press Survey"—CTK headline]

[Excerpt] Prague Aug 11 (CTK)—The Persian Gulf crisis is the chief issue dealt with by Saturday's Czechoslovak dailies, while domestic news stories refer to the meeting of representatives of the federal and republic governments, who discussed the distribution of powers within the federation.

The independent LIDOVE NOVINY says that the reasons for the United States to engage fully in a possible military conflict with Iraq are evident. However, the daily said, there is a whole range of factors speaking in favour of utmost caution. Iraq is neither Grenada nor Panama. Hard steps would certainly arouse negative response throughout the world and in America itself and would revive the Vietnam syndrome.

The youth daily MLADA FRONTA points to many warnings that a Persian Gulf war would be too dangerous. "But more dangerous would be to let Husayn continue his policy. He would see this as the vacation of positions for him, and then it would be only a question of time when another, more extensive aggression takes place", the paper said.

The People's Party paper LIDOVA DEMOKRACIE wrote that "all dictators from Hitler and Stalin to Brezhnev thought that the strength of weapons is the decisive argument...History showed, however, that this is only temporary. Also the Baghdad aggressor Saddam Husayn will undoubteldy receive a similar lesson in the near future. The 1990's will certainly not be favourable for savage invasions of neighbouring states, such as the condemnable Iraqi invasion of Kuwait". [passage omitted]

Foreign Ministry Welcomes Arab Summit Results

LD1108162690 Prague CTK in English 1502 GMT 11 Aug 90

[Text] Prague Aug 11 (CTK)—The Czechoslovak Foreign Ministry issued a statement today welcoming the results of yesterday's special session of representatives of Arab League member states in Cairo on Friday, which decided to send Arab troops to Saudi Arabia and other Arab countries in the Persian Gulf.

The statement expressed hope that the implementation of the conclusions of the summit will contribute towards the settlement of the conflict. According to the Czechoslovak embassies in Kuwait and Baghdad all Czechoslovak citizens are in order. Iraq has so far failed to reply

to Czechoslovakia's repeated requests for making possible the immediate evacuation of all Czechoslovak nationals from Iraq and Kuwait.

Calfa on Iraqi Oil Embargo, Trade With Germanys

AU1308080790 Bratislava VEREJNOST in Slovak 9 Aug 90 pp 1, 2

[Interview with Premier Marian Calfa by Peter Duhan at the Public Against Violence movement seminar on 8 August; place not given: "Trade War? There Will Be a Cease-fire"; first paragraph is VEREJNOST introduction]

[Text] CSFR Premier Marian Calfa came from Vienna to Bratislava yesterday morning. At the seminar of deputies of the Public Against Violence movement [VPN] held at the VPN headquarters in Jiraskova street in Bratislava, the premier delivered a speech on topical political questions. Shortly before he left for the CSFR summit of three premiers in Trencianske Teplice, we asked him for a short interview. After looking at his watch and hesitating for a while, Mr. Calfa smiled and said: "OK, we will catch up somehow—ask your questions." There is no free place in the Mozart's House espresso. We are standing at the window in the corridor, from which the flags of those European countries which we want to come closer to can be seen. Maybe it was those flags that motivated our first question that went beyond the CSFR framework.

[Duhan] Mr. Premier, crude oil is a vitally important raw material for us. I assume that after the deliveries of crude oil from the Soviet Union failed, the government relied mostly on Iraqi imports, if only because CSFR has large financial claims toward that country. Iraqi aggression in Kuwait has substantially changed the situation, however. How does the government plan to proceed with the crude oil problem?

[Calfa] Our country has large investments in Iraq. Due to that country's inability to pay, a situation, which we call a "compensation for outstanding debt" [deblokacia], has arisen. It was just crude oil that was supposed to compensate for our claims. We had a contract on delivery. The contractual amount was supposed to cover the deficit in the deliveries from the Soviet Union. The contract was concluded for the period until the end of this year. Iraqi crude oil was supposed to flow to our country through the pipelines on Turkish territory, and then be transported in containers to the Adria crude oil pipelines. Initial deliveries were planned for September. Iraqi aggression has changed our plans. The decision made by the UN Security Council demonstrated an unprecedented unity of the world community in condemning Iraqi aggression, and taking a united attitude with respect to sanctions to be implemented against that country. It is out of the question that the CSFR would violate this unity, despite the fact that in the CSFR's case no crude oil purchase is involved. The issue is rather the repayment of the debt Iraq owes us. We might even be able to explain this trade morally. But, I am stressing, the CSFR will not, under any circumstances, break the blockade of Iraq. This simply means that we will have no Iraqi crude oil. Tuesday's decision made by the Turkish Government means that Turkey has also joined the blockade by closing Iraqi pipelines. Nevertheless, we are in need of crude oil. I would like to say that the problem is not where to buy crude oil, but how to transport it here. This is the first problem. The second problem is that the Adria pipeline cannot save us either. Try to figure it out for yourselves—five million tonnes of crude oil. If we add six and half million tonnes of crude oil from the Soviet Union, it is still too little compared to what we need. The most simple solution is to buy crude oil with convertible currency in the USSR. The issue is the utilization of the capacity of the Soviet crude oil pipelines. I would like to point out the fact that the crude oil price goes up depending on the way it is transported. We are discussing other possibilities. We were searching for solutions at the pentagonal meeting. We need millions of tonnes of crude oil. The dollar amount that we will have to pay is very high. We are also looking for some compensation. We are investigating to which countries we would be able to deliver our machinery exports. From this viewpoint, Iran and some North African countries seem to be convenient. To summarize all this, crude oil represents an exceptionally complex problem for us.

[Duhan] Irrespective of the fact that you have been abroad, I assume that you are informed on the talks between the CSFR and GDR foreign trade ministers, Mr. Stracar and Pohl?

[Calfa] No, I am not. Minister Stracar will brief me about the talks today.

[Duhan] OK, I will formulate my question in a different way. The GDR, our largest trading partner after the USSR, failed. De facto overnight, we are facing a very tough reality. How does the federal government intend to face new circumstances?

[Calfa] I would not regard this situation as being that tragic. At Bruno Kreisky's funeral in Vienna, our Foreign Minister Dienstbier contacted his West German colleague Genscher. The GDR foreign minister was also there. We were curious, above all, about how the GDR would meet its contractual obligations. The GDR believes that this problem cannot be solved bilaterally. This problem can be solved by three parties, however. In other words, we have to hold talks with the GDR and the FRG. I believe that we will find a solution to this situation. As far as my experience with West German partners is concerned, there are real guarantees on their part. They know that agreements are made for the sake of being met. Otherwise sanctions are taken. Moreover, on multiple occasions the German side has shown that, with respect to production and technology, it sees the

GDR economy and our economy as being interconnected. This is where I see the prospects for our negotiations. Moreover, Minister Dienstbier expressed a positive standpoint on this problem. I think that there are no reasons to be afraid. The fact that problems arise during negotiations is quite natural and even profitable. In any situation, there are always solutions which satisfy both interested parties.

[Duhan] I thanked Mr. Calfa for the interview. When I looked out of the Mozart House it seemed to me that the EC flags were waving optimistically.

Trade Problems With Iraq, GDR Assessed

LD1208141890 Prague Domestic Service in Czech 0730 GMT 12 Aug 90

[(Karel Vich) "Foreign political commentary"]

[Excerpt] War—at least the Middle East one between Iraq, with the fourth largest Army in the world, and some of its Arab neighbors—is a long way away, at least for us. Yet at the same time, it is close to us, because many of us have friends and acquaintances in that region. Saddam Husayn announced that he rushed to Kuwait with fraternal assistance at the request of revolutionaries, and then installed his own son-in-law at the head of the Kuwaiti Government.

War is close, especially for us in the CSFR, where we have an almost identical historical experience with a big neighbor, and also because the world is smaller than it used to be. If Iraq decides to use its chemical weapons, the lethal fall-out could also affect us in CSFR. The Chernobyl atomic cloud, after all, circled the globe several times. Even if this does not happen, we will certainly be affected by higher oil prices. In our situation this will mean tightening our belts even further, and making an even bigger effort to restructure the economy so as to be less energy intensive. This is something that clearly exercised the Czech and Slovak premiers in Trencianske Teplice, where one of the few snippets of news made available to newsmen was that they intend to bring forward the commencement of economic reform to apply from as early as 1 January next year. It is a good thing that this is to happen in a firm CSFR federation.

Notwithstanding the horror of the Iraqi attack on Kuwait, which is an affront to our sense of justice, the view also exists that perhaps we ought not to ruffle Iraq's feathers if we want to see the return of the money lent to that country by our former regime, and which has been salted away for years in Iraqi banks without any sign of it coming back to us. All right, say some, let them pay us in oil if they do not have any dollars! Leaving aside the moral aspects of this idea—and that in itself is difficult enough for me—I must say that this is a big illusion. As far as Iraq is concerned, dollars and oil amount to the same thing. If it manages to find a way round the blockade and export its oil once again, whether officially or on the black market, not even its great friendship with the CSFR will make it send any of it our way.

Last autumn it was said—and under Jakes this was a secret—that Iraq owes us around $40 million, which could be paid back with one single day's oil output. However Baghdad did not want to pay us back, so it did not. On the contrary, it asked for further loans, which it said it wanted for the construction of industrial and processing enterprises whose products it could then supply to us and thus pay off its debts. Oil itself, of course, was something that it did not want to export, not only because it did not have the value added by human labour as is the case with oil by-products, for example, but also because we were only one of its small creditors, and the big fish had to be paid back first. Iraq owed Kuwait about $30 billion, and Saddam Husayn used the example of that country to show that his most favored method of clearing these debts was by annexation.

My personal view, however, is that trade problems with the third world are not of paramount importance to us. The most difficult situation facing us is with the countries of the former socialist camp. The relatively great dependence of our economy on the CEMA countries in the past prevents us from proceeding in such a cavalier fashion as East Germany, for example, which is underpinned by billions of marks from its Western brothers. Some people think that it is the fault of us, the CSFR, if we do not draw the necessary conclusions from the fact that East German enterprises are behaving as if the intergovernmental protocols never existed at all. That, however, is a big mistake, because even in the world of trade where business is business, there are certain rules which have to be kept. I am convinced that in the subsequent talks these will gain the upper hand.

Besides, the reason for the unreliable behavior of the East German enterprises, which are themselves also a legacy of their communist governments, is not merely that they are having to cope with the tough conditions of the market and are thus not very interested in taking our goods: equally important is the fact that East German enterprises also produce goods that are unable to find a market in the West, and they are on the verge of collapse. Nonetheless this does not justify them recouping their losses at the cost of someone else, in this case, us. The principle here is that in trade, one side cannot prosper at the expense of the other, and signed agreements must be adhered to, even by successive organizations, enterprises or even states. They can be cancelled, of course, but not while they are still valid.

It may seem to some that we are not going to get our money back, but my view is that such a loss of credibility as a trading partner is too much of a luxury—if not for the GDR, where they perhaps do not even know what this means, then at least for the more worldly-wise businessmen in the FRG. The Soviet Union, for example, has decided that it will settle the debts incurred by the Tsarist regime abroad. Not unconnected with this is yet another aspect of our relations with the former socialist states: In the near future, these countries will become very interesting markets which we should not give up too early. That is one response to those who are

calling for the CSFR to make a clean break—and saying that it should have been made a long time ago—with our former allies. After all, West German capital is also looking for opportunities too—not only in East German enterprises but also in our plants—of penetrating the potentially large market of the Soviet Union.

The world does no one any favors, and I am afraid that this is something that cannot be changed even by the undefiled words of the Jehova's Witnesses who met last week in Prague, even though they are also sticklers for the rules. Our only option is to take the shrewdest possible course of action, and only time will tell whether we did the right thing. However, even now it can be said that it is definitely right not to allow our dignity to be affronted by dubious alliances with dictatorial regimes, or to be bamboozled when we have valid agreements in our hands, or burn our bridges when they could still be of use to us in the near future. [passage omitted]

Limits Imposed on Purchases of Hungarian Currency

AU1008142790 Prague HOSPODARSKE NOVINY in Czech 9 Aug 90 p 1

[Unattributed CTK report: "An 8,000 Koruna Purchase Limit on Forints"]

[Text] Prague—Because of the recent occurrence of unreasonable speculative purchases of Hungarian forints, the CSFR State Bank has resorted to regulating forint sales. Effective immediately, it has imposed a maximum annual purchase limit on forints of 8,000 korunas per person for organized or individual tourism. The exchanges will be recorded in the travel documents. On purchases of sums exceeding 1,000 Hungarian forints, the travelers will only be supplied with travelers checks. [sentence as received]

Pithart Discusses Republic Talks, U.S. Trip

LD1008192490 Prague Domestic Service in Czech 1630 GMT 10 Aug 90

[Report on news conference by Czech Premier Petr Pithart by reporter Dana Frantalova in Prague on 10 Aug]

[Text] [Frantalova] Today's news conference was devoted to the most relevant topics, such as yesterday's and the day before yesterday's meeting of representatives of three governments in Trencianske Teplice, the premier's trip to the United States, and also the recent event known as Causa Hodonin.

The public had not been informed in detail about the course of the meeting in Trencianske Teplice. Mr. Premier, therefore, started by emphasizing that there was no secret involved. What happened there was the preparation of proposals by seven representatives of our government, which will be submitted to coalition partners as soon as possible, and then, naturally, to legislative bodies which will pass a decision on them. Mr. Premier stressed that it was unnecessary to create an atmosphere of mystery in connection with the talks.

He spoke briefly about some points on the agenda of the meeting. One of them was the future of the current sector ministries. Petr Pithart said:

[Begin Pithart recording] It is well known that sector ministries on the federal level will be disbanded sooner or later. The Slovak side was suggesting earlier deadlines, actually 1 January 1991, when all sector ministries currently managing the industry should be shifted to the level of the republics. We differed only in the time estimate, on when this will be desirable or necessary. We respected the arguments of the Slovak side, and it was immediately quite clear that when you start this transfer of jurisdiction, it must be completed. Then a real economic reform cannot be carried out [Pak se skutecne ekonomicka reforma delat neda]. [end recording]

[Frantalova] The Czech premier then discussed the foundation of nine expert commissions which will be set up on the level of deputy ministers of relevant sectors of all three governments and, naturally, experts will also be invited to join them.

One of the later questions by journalists concerned the state budget. Mr. Pithart said in connection with this:

[Begin Pithart recording] The nature of the proposed changes excludes the issues of a budget—that is, the issue of redistribution. So far it has been a pledge of the two political representations that, in the future, there will be no redistribution. At this point this pledge is superfluous, because this question does not arise. There will be a large independent budget of the Slovak republic and a large independent budget of the Czech republic. We have also agreed—and in this way I am uprooting further repeated objections to our course of action—that the Federation will not live off the subsidies of the republics—it will not live off charity, it will not be dependent on the immediate mood, if you will. The budget of the Federation will be created by the set proportions of taxes. [end recording]

[Frantalova] Now about his trip to the United States. The Czech premier said, among other things, that the United States is disappointed by the reception of those who want to invest in our country. So far there is no suitable body in our country which makes orientation easier for them; therefore, they wander from office to office, from enterprise to enterprise. Accordingly, a contact group will be set up which will direct the interest of U.S. experts and will help them. In this direction a very fast improvement is needed.

Further on Talks

LD1008134690 Prague CTK in English 1226 GMT 10 Aug 90

[Text] Prague Aug 10 (CTK)—From the constitutional point of view, participants in the meeting of the federal

and national governments' representatives in Trencianske Teplice, West Slovakia, formed no board which would be entitled to take any final decisions, Czech Premier Petr Pithart told a press conference here today.

Speaking about a two-day meeting of the Czechoslovak, Czech and Slovak national governments which ended in the Slovak spa yesterday, he said that participants in the meeting did not discuss the issue of the Slovak Ministry of International Relations which has been created recently. In this moment the Czech Government does not feel any need for creating a Czech Foreign Ministry, he stressed, adding that international and inter-regional relations can fall within the powers of the two republics. He voiced the conviction that inter-state relations and contacts with international organizations will continue to be in the domain of the Federal Foreign Ministry.

In Czechoslovakia's return to Europe, the transfer to a confederation could hinder foreign assistance to the country, Petr Pithart underlined. Dealing with the state of the country's economy he pointed out that Czechoslovakia will have to carry out its economic reform still quicker and more radically than anybody thought two months ago.

Petr Pithart said that during his recent visit to the United States he was strongly impressed by the interest of expatriates in the preservation of the Czechoslovak state's unity. They were also very much interested in concrete business talks. All investors from America are quite disappointed with the way they are received in Czechoslovakia which does not have yet any body to confer with them. They often leave with the impression that Czechoslovakia is not interested in them, Pithart said and underlined that he will strive for the creation of a group attached to the Czech Government which will strive to make discussions of foreign investors in Czechoslovakia easier.

The publication of the paper CESKA POLITIKA, organ of the Czech Government and the Czech National Council, has been temporarily suspended. The future of the paper will be discussed at the forthcoming session of the Czech Government, the Czech premier said.

Klaus on Privatization, Economic Reform's Impact

AU1108201490 Prague MLADA FRONTA in Czech 7 Aug 90 p 3

[Interview with Federal Finance Minister Vaclav Klaus by MLADA FRONTA reporter Petr Sabata in Prague; date not given: "Shocks Overcome by Speed"]

[Text] [Sabata] How do you rate the influence of this year's growth in wages—which certainly does not correspond to the productivity of labor and, above all, the threat to the state budget funds—on the macroeconomic stability?

[Klaus] Thus far this year the wages have really grown faster than expected, and the increase does not correspond to the fund formation, but so far the difference is not drastic. The growth rate of the nominal wages minus the growth rate of inflation is not higher than the growth rate of the supply of consumer goods—therefore the "cost-push" inflation does not ensue.

[Sabata] To what degree is the proposed privatization method your idea, the concept of the entire government, or even a project adopted by the republics?

[Klaus] The privatization method proposed was prepared by the appropriate organ—the Ministry of Finance—after long discussions with many domestic as well as foreign experts. I believe that the privatization ministries of both republics, established just a month ago, approve of this method.

[Sabata] Could you, after all, explain how it is possible to guarantee that the coupons [warrants distributed to the citizens free of charge], and the purchase of shares for these coupons, will not become a subject of a mass speculation and cheap sale abroad?

[Klaus] We will impede rapid sale abroad by legal measures and the sale of shares to the domestic participants will also be "retarded." The investment coupons will be nontransferable.

[Sabata] Will every citizen receive back one-fifteenmillionth of the national assets in the form of an investment coupon?

[Klaus] It is not all the national property that is privatized during the first privatization period, more like one-tenth of one-fifteenmillionth.

[Sabata] Private entrepreneurship also contributes to the formation of a competitive environment. How do you intend to support it?

[Klaus] The administrative steps will be made easy, but the main thing is that the price liberalization will establish economic parity; i.e. availability of all commodities for everybody, only then will private entrepreneurs be able to truly venture into business.

[Sabata] What are the "minor restrictions" to prices, that "viscous fluid," really like?

[Klaus] An intensive work on specifying them is currently in progress. There will be a compulsory advance notice of price changes, a compulsory period for preserving the price once changed, a delimination of the price change interval to a precisely specified range of stimuli, linking of price moves, etc.

[Sabata] How large should the stabilization fund be, at least in order of magnitude? On what sources will it be based at its inception, and what will be the role of the IMF?

[Klaus] The key roles will be played by the IMF and the EC. I discussed this last week in Prague with EEC Vice President Mr. Christopherson. There is no reason to divulge the size of the fund to the foreign financial markets.

[Sabata] How unsteady do you think the economic quantities of unemployment and inflation will be?

[Klaus] That is directly dependent on the size of the stabilization fund. If the fund is large, there will be no vacillation; if it is small, the fluctuation—that means inflation and unemployment—will be greater.

[Sabata] Can you at least indicate what an economist would substitute for the general denotation of social policy in the denominator?

[Klaus] Social policy is the support offered to those on whom the economy has an unfavorable effect. This includes particularly: unemployment benefits; extensive allowances for retraining and the search for a new job; indexating of fixed incomes (particularly pensions) according to the rate of inflation; and various types of compensation in order to prevent undue hardship.

[Sabata] The strategic steps will be accompanied by numerous partial, yet significant, measures. Can you name those for which you are making preparations?

[Klaus] The Ministry of Finance is preparing a new taxation policy, a draft law on insurance companies, a draft law on government debentures, the joining of the IMF and the World Bank, and talks with the CEMA countries on the new financial and price conditions. It also works on changes in accounting, on the government budget for 1991, on the new policy for granting subsidies, on methods of financing ecological investments, etc. But that is only what I recall on the spur of the moment.

[Sabata] What kind of threat is posed to the realization of the reform program by unexpected shocks resulting, for instance, from the depression in the Soviet economy?

[Klaus] They pose a great danger, but the important thing is that an acceleration, and not a deceleration, of the reform process is the way to overcome the shocks.

Commentary Views Dissatisfaction, Fear in Nation

AU1008151890 Bratislava NARODNA OBRODA in Slovak 4 Aug 90 p 3

[Igor Cibula commentary: "The Dissatisfaction and Intimidation of the Citizens"]

[Text] The pages of the Prague press report much more frequently than the pages of the Bratislava newspapers on the growing social tension and disatisfaction over the slowness with which the former nomenklatura cadres are replaced by civically irreproachable people qualified for work in the administrative-structure posts. In some places—particularly in the countryside—the process has not even started. At numerous localities, the representatives of the so-called old structures manage to create for themselves new bases, and this evokes not only dissatisfaction, but also intimidation of ordinary citizens, by preventing them from standing up openly against the antiquated practices of the totalitarian past.

In this context, the fact can be considered symptomatic that in the second quarter of this year, the government received almost 100 percent more anonymous complaints and reports from citizens than in the comparable period last year. It is not a unique phenomenon, because the editorial offices also receive anonymous complaints, or letters signed by the authors' real names but requesting that, in case of publication of their contribution, the editorial office not print their name. The opposition claims that these phenomena signal the citizens' fear of a new totalitarianism; the representatives of the regime blame the persevering influence of the so-called old structures for the present situation.

The gravity of the already mentioned circumstances forced the representatives of Civic Forum and the Public Against Violence movement to publically point out this development to our governments. The tense relations in working places—even inflicting penalties on people involved in the destruction of the totalitarian regime—form an unfavorable atmosphere for the radical economic reform accompanied by social disturbances as well as a skepticism regarding the prospects of the communal elections, which should replace the remaining local "potentates" by civic self-administration.

The alarms from official places of a potential danger and also from the former members of the State Security does not enhance the citizen's self-confidence either. These might only be special-purpose announcements made as a warning to these former agents intending to stop their conspiring because a severe penalty would await them. Nonetheless, one must ask whether the psychosis evoked in this manner helps to stabilize the citizens' frame of mind at the required level.

If we analyze the facts of the present domestic political situation, we can arrive at a conclusion that the near future will be marked by growing confrontation. If we complete this mosaic, for instance, with confidential information on the coalition relations in the government structures, we would confirm our conviction that the society-crystallization process still has not lost its dynamic character.

Czech Labor Minister Discusses Labor Exchanges

AU1008162990 Prague HOSPODARSKE NOVINY in Czech 3 Aug 90 p 2

["ci"-signed report: "A Start, But a Slow One"; first paragraph is HOSPODARSKE NOVINY introduction]

[Text] As of 30 June, 2,701 persons in the Czech Republic were collecting unemployment benefits. By

now the number is substantially higher because the lay-off notices of many others came into effect. On the same day, 6,809 job seekers were registered in the Czech Republic. Concurrently, on the territory of the entire CSFR, 750,000 pensioners were employed, and another 100,000 people collected disability pension while working.

That is about all the information we learned at yesterday's news conference with Milan Horalek, Czech minister of labor and social affairs. The main topic was the labor exchanges, which began operating in the Czech Republic as of 1 August. The journalists present at the conference agreed, however, that the exchanges started very slowly. Hence, together with the representatives of the eleven Czech districts in which the unemployment situation is particularly complex, we actually learned only that in the mentioned districts "the conditions have been prepared for the exchanges to begin their work this month." We can only hope that when they open, they will have a truly high professional standard, as was implied by the report by Engineer V. Broz, director of the Services Administration. The intention of the administration is for the exchanges to be headed by highly qualified people—employment entrepreneurs, who will draw on experiences gained abroad employing the method of "understanding rather than copying." It somewhat contradicts another piece of information—namely, that these people will be transferred from the previous Labor Force Departments of the former National Committees.

Minister M. Horalek did not even attempt to hide his embarrassment when talking of the function of the labor market in Czechoslovakia. His inherited task is really not an easy one: According to his estimate, the number of problem people, i.e. those who will graduate from universities, or for various reasons will lose their jobs, will increase to a full 30,000. Therefore, he also emphasized the need for a rapid pace in establishing the labor exchanges and the urgency of a highly active employment policy.

The extraordinarily complex situation in Prague was also discussed at the news conference. Extensive changes are taking place here in the organization of the central bodies and institutions, and research institutes and enterprises are being closed down.

The establishing of the labor exchanges was adopted as a legal measure by the Czech National Council on 20 July of this year when proposed by the Ministry of Labor and Social Affairs of the Czech Republic, while the ministry itself was formed only 1 July. It is truly a record speed, and the achievement of the ministry with just a minimum staff at its disposal deserves admiration. Bringing the offices, or an even better term would be the employment service, to life in all the remaining districts will be a much greater problem. Let us recall that the first phase of their operation involves the districts of Kladno, Plzen-city, Brno-city, Vyskov, Prostejov, Jihlava, Uherske Hradiste, Ostrava-city, Opava, Karvina, and Hradec Kralove. As soon as the trial run is over, these service centers will—in addition to their main task of serving as a middleman for jobs—finance retraining courses and provide unemployment benefits. Furthermore, their program should contain employment related legal and social psychological consultations. This year 990 million korunas from the state budget will be allotted to their operation.

Unemployment Survey in Czech Republic

AU1208143190 Prague PRACE in Czech 7 Aug 90 p 3

["sk"-signed report: "How Many People Are Without a Job?"]

[Text] Prague—The data we obtained yesterday at the Ministry of Labor and Social Affairs of the Czech Republic testify to the growing number of job seekers and unemployed. If we compare the number of job seekers at the end of May (we published the figures a month ago) with that of the end of July, we see that it doubled. One can say the same about the number of people already collecting welfare. Our table shows the data at the end of June and at the end of July. As you can see, most of the people who cannot find a job are in the North Moravian region, followed by South Moravia, and by Prague itself. Obviously, so far the placement of an employment applicant is the fastest in the West Bohemian region, at least if we judge by the benefits paid. The nonmanual workers have the greatest difficulties finding employment in Prague, where there are three times as many of them among the job seekers as laborers. The opposite is true in the North Moravian region where approximately twice as many job seekers are laborers. According to the findings of the staff of the Labor Force Departments of the District National Committees, one can expect that the number of people without a job will grow even faster in the next few months.

	total number of applicants		total collecting welfare		breakdown of workforce	
					laborers	other
Region	**6/30**	**7/31**	**6/30**	**7/31**	**6/30**	**7/31**
Prague	911	1,361	274	454	322	1,039
Central Bohemia	556	871	212	339	502	369
South Bohemia	456	674	206	370	280	394
Western Bohemia	568	730	86	150	209	521
North Bohemia	415	631	131	259	452	179
East Bohemia	461	753	162	317	323	430
South Moravia	952	1,834	498	825	561	1,273
North Moravia	2,490	3,669	1,132	1,655	2,252	1,417
Czech Republic	6,809	10,523	2,701	4,369	4,901	5,622

Socialist General Secretary on Party 'Crisis'

LD1008194190 Prague CTK in English 1855 GMT 10 Aug 90

[Text] Prague Aug 10 (CTK)—The Czechoslovak Socialist Party, which survived over 40 years of Communist rule in the country, is facing a crisis and perhaps a split.

On Thursday [9 August], CTK received a report "from reliable sources" that the Prague committee expelled four leading officials from the party. It was immediately denied by the party presidium and today Central Secretary Jan Priborsky told CTK that the member of the Prague committee who supplied the news to CTK, Ladislav Batora, and one of his colleagues had in turn been expelled. The Presidium said that the policy of the Prague committee was aimed at taking power in the party.

Although the party was the first last November to protest against the brutal police attack on a student demonstration which was followed by a revolution in the country, it failed to capitalize on its credit from that time. Just like the other Czech party in the Communist-controlled National Front before November 1989, the People's Party, it has since fallen victim to infighting. Its popularity declined and it failed to win a sufficient number of votes to get into parliament in last June's elections.

"In my opinion, factionalism started by the leadership of the Czechoslovak Socialist Party's organization in Prague plays into the hands...of attempts to harm the party's authority in the eyes of the public", Jan Priborsky, one of those that the Prague committee said it expelled yesterday, told CTK.

"Unfortunately, tendencies highly unfavourable to traditional political parties have been appearing throughout the country", he said. He believes that the pre-election slogan "Parties are for party members, the Civic Forum is for everybody" is reminiscent of the past when the National Front too was for everybody. He also objected against legislation now being drafted under which activities of political parties should be financed only from members' dues. In developed countries the parties also have other sources of income, he said.

The crisis arose over the attempt of the Prague committee to expel two former chairmen of the party since November 1989, Jan Skoda and Jiri Vyvadil, current General Secretary Priborsky and another official. The ruling has since been declared outrageous and incompetent and invalidated by the party presidium. The stated reason was a vote of the four for the expulsion of Cestmir Cejka, which was allegedly aimed at discrediting the role played by a faction of the Socialist Party in a body set up by parties outside the parliament, calling itself the extraparliamentary assembly. Cejka is chairman of the Assembly.

Central Secretary Priborsky said that Cejka had not been authorized by any Socialist Party body to undertake any commitments in the Assembly. The party does not consider its participation in the Assembly desirable. "We would find ourselves in a situation in which the association of the Republic-The Republican Party of Czechoslovakia, i.e. a party of the extreme right, would be a major partner in the Assembly to the Socialists who consider themselves a party with a strong social emphasis.

Slovak Farmers 'Association' Established

AU1008064490 Bratislava NARODNA OBRODA in Slovak 8 Aug 90 p 1

["(DA)"-signed report: "Family Farms for Farmers"]

[Text] Bratislava—The Association of Slovak Farmers is an independent element of the Union of Slovak Entrepreneurs and is currently preparing for its constituent assembly. This will be held on 19 August 1990 in the Banska Bystrica Civil Engineering Social Club in Rudlovsky Potok. Engineer Milan Pasmik, chairman of the association's preparatory committee, told journalists yesterday that the association's aim is to return man to the land, that is, to life's provider. It will support the speedy dissolution of the state's monopoly, equal rights for all forms of production, and the farmer's involvement in finalizing his products. The association is also in favor of the establishment of so-called family farms. However, it does not want to return farmers to the 1920's or 1930's, but, with the assistance of state subsidies and with the support of the former United Agricultural Collectives, it wants to help them to work their way up to the current financial and economic level of independent farmers throughout the world.

Green Party Opposes 'Extraparliamentary Assembly'

AU1008142490 Prague SVOBODNE SLOVO in Czech 8 Aug 90 p 4

[Unattributed CTK report: "The Green Party Statement"]

[Text] Prague—Yesterday, J. Jecminek, chairman of the Green Party Central Council, provided CTK with a statement which, among other things, declares: On 31 July 1990 the daily press carried a CTK report on the foundation of the Extraparliamentary Assembly claiming that the initiative for establishing the Assembly allegedly came from the Green Party. In the name of the Green Party, as the chairman of its Central Council, I emphatically protest this distorted and misleading information. The people who took part in the inception of the Assembly acted only in their own names or, as the case may be, in the name of the region—i.e., Prague association of the Green Party. The question of entering the Extraparliamentary Assembly or other so-called shadow parliaments was already discussed at the all-state Council of the Green Party in June of this year with a resulting unequivocally negative standpoint.

New Scientific, Technical, Economic Confederation

AU0808141990 Bratislava NARODNA OBRODA in Slovak 6 Aug 90 p 1

[Unattributed CTK report: "They Have Founded a Confederation"]

[Text] Prague—The scientific, technical, and economic associations in Bohemia, Moravia, and Slovakia have founded a confederation in Prague. The general assembly involving the founding associations, which was held on Saturday [4 August], adopted a program of its objectives, approved its articles, and elected its supervisory organs. Engineer Jan Laitl was elected the confederation's president and Miroslav Stoupa was elected its vice president.

The confederation was established on the initiative of some committees and independent branches of the former Czechoslovak Scientific-Technical Association and, thus, becomes one of its successor organizations. It is interested in going out into the world, in reestablishing successful ties with international extragovernmental organizations, and in resolving issues within the competency of CSFR state and non-state organs. The confederation also wants to become a representative of the interests of scientists, technologists, and economists in dealing with issues connected with their social status, income, and so on.

Pro-Independence Slovak Periodical Appears

LD1008203190 Prague CTK in English 1917 GMT 10 Aug 90

[Text] Bratislava Aug 10 (CTK)—The first number of a new periodical, NOVY SLOVAK (New Slovak), appeared in Slovakia today. Publisher Ernest Deak said that it will support efforts at Slovak independence.

It carries the program of the Slovak National Democratic Movement, which had its constituent meeting last month and is now waiting to be registered.

The periodical publishes in full the address of Jozef Tiso, president of the 1939-1945 clerico-fascist Slovak state, in his defence at his 1946 trial which sentenced him to death for his war-time activity.

The next number will appear in a fortnight and after this NOVY SLOVAK will be a weekly and perspectively a daily newspaper.

GERMAN UNIFICATION

Notice to Readers: *In order to provide information concerning German unification in one location for the benefit of our readers, material on that topic from the FRG, GDR, and other media is now being published in the German Unification Attachment to the West Europe DAILY REPORT.*

Saudi Arabia 'Intends' To Recruit GDR Soldiers

LD1108145690 East Berlin ADN International Service in German 1347 GMT 11 Aug 90

[Text] Hamburg (DPA)—According to BILD AM SONNTAG, which appears in Hamburg, Saudi Arabia intends to recruit GDR soldiers not taken on by the Bundeswehr. Saudi Arabia's ambassador in Bonn, (Muhammad Hasan Yafei), made his country's interest in German soldiers clear to the newspaper. "If there are applications, then we will immediately forward these to the government in Riyadh."

International Checkpoints Opened on Polish Border

AU1008141290 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 10 Aug 90 p 1

["Dt."-signed report: "More Checkpoints on Border With Poland"]

[Text] Warsaw—This week seven checkpoints on the Oder-Neisse border, that had only been open to citizens from East Bloc states, received unlimited international status, and may now also be used by travelers from West Europe. This was confirmed by a spokesman for the border protection troops in Warsaw on Thursday [9 August]. So far, tourists from nonsocialist countries who went to Poland by car had only the choice between the four checkpoints near Szczecin, Swiecko (near Frankfurt/Oder), Forst, and Zgorzelec. Now the checkpoints (from north to south) of Linken/Lubieszyn, Schwedt/Krajnik Dolny, Frankfurt/Slubice, Guben/Gubin, Bad Muskau/Leknica, Zittau/Sieniawka can also be used by Western tourists in cars. No differences are made any longer between travelers from "socialist" and "capitalist" countries at the checkpoint between Ahlbeck and Swinoujscie at the mouth of the Oder, which can only be crossed on foot or by bicycle. However, in answer to an inquiry, the GDR Consulate in Warsaw was not able to confirm that an agreement was made on the new regulation of the border traffic with Poland. In general, there are currently no problems in the border traffic between the GDR and Poland. In contrast to this, the situation at the Polish-Soviet border, which private cars may still only cross at three points, is tense.

Number of NVA Generals To Be Cut '80 Percent'

LD1108151690 East Berlin ADN International Service in German 1434 GMT 11 Aug 90

[Text] Bautzen (ADN)—The state secretary for the GDR's Ministry for Disarmament and Defense, Dr. Bertram Wiezcorek [Christian Democratic Union], announced a reduction in NVA [National People's Army] generals by 80 percent in the course of the formation of an all-German Army in Bautzen today.

During the last commencement parade at the "Otto Lilienthal" Military Pilots' Officer Training College, Wiezcorek stressed the necessity for a "significant reduction in the leadership strength of NVA units and formations" over the next three years. The State Treaty, which envisages a drastic reduction in NVA troops—to 50,000 within the framework of a 370,000-strong Army belonging to a united Germany—obliges them to do this.

Diestel Calls for Close Control Over Stasi Files

AU1108153490 East Berlin BERLINER ZEITUNG in German 6 Aug 90 p 3

[Interior Minister Peter-Michael Diestel article: "Quick Destruction Would Be the Cleanest Solution"]

[Text] In the course of the further dissolution of the former Ministry for State Security [MfS] and the National Security Office, we are faced with a difficult but, at the same time, very sensitive problem. This problem excites many people and, quite often, gives rise to extremely controversial views.

Among the crucial questions is: What is to be done with personal data concerning 6 million citizens, which was illegally collected by the MfS?

This is a specific GDR problem, and must be solved by the current government on its own responsibility. It must be done in such a way that the process of establishing German unity is not strained, and additionally, solutions are found which are acceptable and supportable by a future joint cabinet.

Therefore, further dealings with this data can take place only in a way consistent with the principles of a state based on the rule of law specifically set down in a special law.

What are the basic premises?

The quickest possible destruction of these personal files would be the cleanest, simplest, and least expensive solution. It is unnecessary to store and administer data and files, about so many people, in such an expensive way, in order to take stock of the methods of operation of the former MfS, for historical purposes, and to record them for posterity,.

Danger of Abuse is To Be Prevented

The material which has been secured and evaluated so far gives exact details on the structure and working methods of this ministry.

There is the danger that, as soon as the GDR no longer has the legal sovereignty to deal with this problem itself, an all-German parliament might get the idea: We must take a look at what kind of people these 16.5 million are,

who we have accepted. If someone tries to get a seat as a deputy or a post as professor in the future, overly eager people might be tempted to take a look at this person's past. If this could be done in the case of the 60 million FRG citizens as well, I would accept it. But since this is not the case, and since we want to have equal opportunities, the criminal material should be destroyed. These files must not cause disadvantages again.

Nevertheless, the destruction of this material is impermissible at the moment. Why?

Access is Necessary for Rehabilitations

A great number of people in our country were directly or indirectly affected by the practices of this ministry. They were forced to suffer, and were subjected to reprisals. The government has a duty to give these affected people moral and material compensation, carry out rehabilitations, and punish those responsible who can be proven guilty. These necessary rehabilitations particularly require a business-like and responsible method of dealing with these files for a very long time to come. However, at the same time, there is another consideration. The data collected and stored by the former MfS harbors uncontrollable dangers. It might cause human tragedies, or interfere in the consolidation of political powers. This is precisely what they were regularly abused for in the past. A legally secure method of dealing with this personal data is more than a demand of the hour. In particular, the statements of the majority of affected citizens made in letters to parliament and the government go in this direction. Therefore, we need a law that makes it possible not to infringe on the citizens personal rights in dealing with personal data, permits access to this data for rehabilitations, secures evidence for necessary criminal trials, as well as ensures parliamentary control in securing and using personal data.

In the same way that dealing with personal data collected and stored by the former MfS requires a special legal regulation, and cannot be covered by generally valid regulations of data protection, we also need an authority, independent of former organs, for the administration of archives made available to the special representative proposed by the Council of Ministers, and elected by the People's Chamber so that he can fulfill his tasks.

Data Must Be Kept From Intelligence Services

Only such an approach makes it possible to come to terms with the problem of further dealing with personal data in line with consistent principles of a state based on the rule of law. Because of the specific nature and the scope of the matter that is to be regulated by such a law, it is necessary to include corresponding principles in the unification treaty.

In line with these principles, it must be ensured that the personal data stipulated in this law remains protected against access by intelligence services, or against unauthorized publication after the establishment of Germany's state unity.

Rehabilitation Demanded for Victims of Stalinism

LD1208124890 East Berlin ADN International Service in German 1156 GMT 12 Aug 90

[Text] Berlin (ADN)—Approximately 100 demonstrators on Berlin's Alexanderplatz today called for the rehabilitation of and compensation for the victims of the Stalinist terror conducted by the Socialist Unity Party of Germany [SED] regime and the Soviet military administration. Addressing people who were imprisoned in Soviet punishment camps after 1945 and people persecuted in the GDR, as well as sympathizers, Stefan Koehler, chairman of the spokespersons council of the Association of Those Persecuted Under Stalinist Terror in the GDR, said that the experiences of the victims should also be expressed in German unity. By this demonstration they intend to recall the aims of the peaceful revolution last autumn—justice for the victims and punishment for the guilty.

The demonstrators called for Justice Minister Wuensche, who as an "SED collaborator" was co-responsible for numerous illegal convictions, to be sacked. They accused Interior Minister Diestel (Christian Democratic Union) of, on the one hand, emloying former Stasi members in the antiterrorist units or in the bodyguard corps and, on the other hand, saying nothing about compensating the victims. The Party for Democrtatic Socialism assets should be used for material reparations.

Reportage Continues on Situation in Iraq, Kuwait

Government Endorses UN Position

LD1008182190 Budapest Television Service in Hungarian 1730 GMT 10 Aug 90

[Text] The Hungarian Government's official standpoint in connection with the Iraqi affair has been issued. The five Hungarian citizens whom we had believed lost are free and in good health. In fact, it has transpired that, at the time of the outbreak of the Iraq-Kuwait war, they were taken captive by the Iraqis. We learned from the Foreign Ministry spokesman that the four employees of Budavox enterprise and a truck driver are—for the time being—at the Baghdad embassy.

[Begin recording] [Unidentified reporter] What is the standpoint of the Hungarian Foreign Ministry on the Iraq-Kuwait conflict?

[Unidentified official] Hungary, the Hungarian Government, finds it unacceptable that Iraq should annex Kuwait. In accordance with this, the Hungarian Government takes the stand that Iraq should, as soon as possible, restore Kuwait's sovereignty and guarantee the country's territorial inviolability. Hungary agrees with the Security Council decisions relating to the Iraq-Kuwait affair, including Security Council Resolution 601, which proscribes sanctions vis-a-vis Iraq.

[Reporter] Here, it is first and foremost a question of economic sanctions. How, and in what way, do these affect Hungary?

[Official] First and foremost, it is a question of economic sanctions, which means that one has to refrain from exporting certain goods to Iraq and, at the same time, one has to refrain from the given country importing Iraqi goods.

[Reporter] Does the Hungarian Government's decision make it difficult for the Hungarians living in the Near East to be brought home as soon as possible?

[Official] We trust that the Hungarian Government's standpoint, which, in our opinion, accords with the international norms, will not make it difficult for Hungarian citizens staying in Kuwait and Iraq to be able to return home freely.

[Reporter] What chance is there for this now? How does their case stand?

[Official] At the present moment, I can say that there are some 200 Hungarian citizens in Kuwait and considerably fewer than this in Iraq. The Hungarian Foreign Ministry has, on several occasions—and also officially—asked the Iraqi authorities to allow the Hungarian citizens in Kuwait to return home freely. Up to now, we have received no positive response from Iraq to this Hungarian request. [end recording]

Foreign Ministry Statement

LD1008194290 Budapest MTI in English 1840 GMT 10 Aug 90

[Text] Budapest, August 10 (MTI)—The Hungarian Foreign Ministry forwarded on Friday the following statement to the Hungarian News Agency MTI:

The Government of the Republic of Hungary received Baghdad's August 8 decision on the annexation of Kuwait with deep shock and anxiety. Since this step is incompatible with the UN Charter and the principles of international law concerning inter-state relations, the government considers the decision null and void.

In the mirror of its recent historical experience, the Hungarian people has an aversion to any deployment of foreign troops under the pretext of 'assistance'. For this reason, the government feels particularly prompted to raise its voice in public against Iraq's endeavour for giving a lawful appearance to this unacceptable military aggression.

In compliance with Resolutions Nos. 660, 661 and 662 of the Security Council, the Government of the Republic of Hungary demands that the state sovereignty of Kuwait be restored and the inviolability of its territory guaranteed. In its view, the immediate, full and unconditional withdrawal of Iraqi troops from the territory of Kuwait is a basic condition for the settlement of the situation.

Hungary accepts as binding the obligation to implementation Resolution No. 661 of the UN Security Council on sanctions for it serves the earliest possible settlement of the crisis. To promote a settlement, Hungary proposes setting up a UN peace-keeping force and sending it to the region.

Joining the declaration approved at the August 10, 1990 ministerial meeting of the European Communities in Brussels, the Government of the Republic of Hungary is prepared to take part in any action carried out in the framework of the United Nations and aimed at restoring peace and security in the region. It is confident that the summit of the Arab heads of states and governments will yield a result serving an earliest possible settlement.

The Hungarian Government is at a loss concerning the fact that, despite its repeated requests, the Iraqi authorities have not yet enabled the Hungarian citizens staying in Kuwait to leave freely. All responsibility for the security of these citizens lies on the Iraqi side.

The government invariably expects the Iraqi authorities to make it possible for the Hungarian citizens to return home immediately, safely, and, if possible, by air.

The Hungarian Government expresses the sincere hope that the grave crisis would be settled as early as possible, by peaceful means.

Jeszenszky on Crisis, Evacuation

LD1208204190 Budapest Television Service in Hungarian 1800 GMT 12 Aug 90

[Interview with Foreign Minister Geza Jeszenszky by unidentified reporter on "The Week" program of 12 August; place not given—live or recorded]

[Text] [Jeszenszky] Hungary was among the first countries to condemn [Iraqi invasion of Kuwait]. Last Thursday [9 August], when the stance of the Soviet Union was not known, the Hungarian Government issued a statement. However, the Hungarian behavior and stance was undoubtedly influenced by the fact that about 200 Hungarian citizens are there and, in the interest of their evacuation, we took the first steps at the end of last week and the beginning of this week. We would have liked to have arranged their return home as soon as possible.

[Reporter] According to my information, NATO informed the East European countries about the latest developments. What sort of information did we receive?

[Jeszenszky] There were consecutive meetings of NATO and the foreign ministers of the Common Market in Brussels. We were given information immediately about the results of these meetings. The Hungarian representative followed both meetings attentively.

[Reporter] We know the Soviet and the U.S. stances, and we also know that George Bush is sending troops to Saudi Arabia expressely for defense purposes. How does Hungary react to this?

[Jeszenszky] The fact that the Soviet Union has condemned the Iraqi step, and in a rather definite manner at that, one must say—and although I do not know exactly what sort of negotiations took place between Baker and the Soviet ambassador in Brussels, but such meetings did take place—that cooperation remains between the two superpowers even during a crisis. This is, to a certain extent, not only a new situation, but it also makes the possibility of a solution more hopeful than in similar or former Middle Eastern conflicts.

[Reporter] Now on the subject of the Hungarians. How do we try to evacuate them?

[Jeszenszky] Well, we certainly will not be able to sneak the Hungarians out, we cannot send boats. It is only possible with the permission of the Iraqi authorities presently in power. However, for the Hungarian Government this is a task of prominent importance. We first believed that the Hungarians should be put on planes as soon as possible and should be taking the shortest route possible. An airport in Iraqi territory—in Basra—is relatively near, and this was our first idea. Then a rather worrisome period followed when Iraq naturally did not refuse to consider the question—it was not possible—but there was a delay; Iraq was not entirely clear regarding the question of immediate return.

According to the latest news, I can report on a favorable development here. Although one should say that we can only believe this to be true once they have arrived. However, I am very hopeful that this can be realized. Now, at last, beyond the earlier permission in principle, it seems that Iraq has given the practical consent to the evacuation of the Hungarian community. It seems at the moment that this is possible through Jordan; this means a relatively longer journey on Iraqi territory. I very much hope that next week, here in the program of "The Week", a few members of the Hungarian community returned from Kuwait will be interviewed instead of the Foreign Minister.

Five Missing Citizens Returned to Embassy

LD1008145190 Budapest Domestic Service in Hungarian 1300 GMT 10 Aug 90

[Text] The five Hungarian citizens who disappeared during the invasion of Kuwait are now at the Hungarian Embassy in Baghdad. According to the Foreign Ministry briefing, the Iraqi authorities handed them over to the Hungarian mission at 1400. All five are well, and all members of the Hungarian colony in Kuwait are well. The Foreign Ministry is continuing its attempts to get the Hungarians stranded in Kuwait out. The schedule for this, however, depends on the decision of the competent organs of the government in Baghdad.

Expatriates Allowed To Leave Area

LD1208091790 Budapest Domestic Service in Hungarian 0900 GMT 12 Aug 90

[Text] The Hungarian Foreign Ministry has received official information from the Iraqi authorities that Hungarian citizens may leave the territories of Kuwait and Iraq via Jordan. All the Hungarian Embassy workers and the expatriates are well.

Economic Relations Official on Oil Price Effects

LD1208132490 Budapest Domestic Service in Hungarian 0630 GMT 12 Aug 90

[Interview with Minister of Economic Relations Bela Kadar by Zsolt Szalay; place and date not given—recorded]

[Excerpts] [passage omitted] [Kadar] In Hungary it is a priority national interest or, if you like, a patriotic duty, to reduce mineral oil consumption in the economic structure, in enterprises, and in households. For this we have to bring into being an appropriate incentive, or rather restrictive economic political measures, which naturally....

[Szalay, interrupting] Is there in readiness a kind of crisis-management program?

[Kadar] There is. Well, we have been reckoning with this possibility for a very long time. The status quo to which we became accustomed in former years will cease, quite simply, because of external economic effects. This is an

objective situation. No country can escape it. The Hungarian economy could have paid attention to this—for four years it has been hearing the warning. All that time we knew that the writing was on the wall, and that sooner or later there would be consequences. However, it did not make much of an attempt to adapt. [passage omitted]

[Szalay] If we have to prepare for changes here, then what would seem to be the more probable: a sort of curbing of oil consumption or the drastic market method—in other words increasing prices?

[Kadar] Both will be needed; one cannot be separated from the other. From Hungary's point of view, the deterioration in next year's balance of payments situation alone will demand a large reduction of energy consumption. This will, in any case, also spring from the Hungarian economy's need for structural transformation. As we know, this economy has, for a very long time, been energy-sensitive. It uses about 40 percent more energy than average in the developed countries in unit good production, which is, in itself, an absurdity. So if we now strive for the restoration of economic rationalities and normal specialization, we will have to put a stop to this. In any event, we have to realize this in the framework of a settled structure change strategy. But in order that this should be a rapid change, price effects will also have to be brought into effect.

So far, Hungarian consumers have not responded much to the country's very difficult supply security situation. As a matter of fact, it is not a rational attitude when the consumer society receives with such a big outcry the news and the fact of the (?tentative) price increases, which will still lag behind the general rate of inflation.

At the start of next year, in any case, the sword of Damocles will fall when we go over to dollar accounting in Soviet relations, which is by now a reality. This will have consequences, in various ways, and will affect consumer prices. (?We have talked about this.) [passage omitted]

I would caution Hungarian gasoline consumers to exercise self-moderation and thrift, both in their own interests and, above all, in the national interest. In a country that is in a very unfavorable social situation, it is very difficult to make the indigent sections of the population accept that, for close to 18 months now—ever since civil and work discipline have somewhat eased—there has been a rush hour every hour of the day here in Hungary, because the price system is such that it does not deter them from this undesirable behavior. A lot of people do not agree with this, because they say this has an inflationary effect. Of course it does. The spiral of inflation comes, as a matter of fact, from very many directions, and not only because of this. But nowhere else does it have such a distortive effect on the national security, the supply security structure as it does, for example, in the sphere of energy economy. Well, this is what we should all understand, because without this it will be very difficult for a transformation to take place.

Antall Interviewed on Status of Economy

LD1208200490 Budapest Television Service in Hungarian 1700 GMT 12 Aug 90

[Interview with Prime Minister Jozsef Antall by Sandor Regos; place and date not given—recorded]

[Text] [Regos] This week we were exposed to cold and hot spells, price waves, and aridity. Meteorological phenomena undoubtedly fall beyond the government's sphere of authority. I wonder, however, if price waves hitting us more and more belong to the category of natural disasters; that is, are they independent of everything, can they not be influenced?

[Antall] Unfortunately, it is not easy to speak about price issues briefly and satisfyingly. There are two possibilities: Either prices must be fixed on the basis of the old system—we can see where it led, and this meant bankruptcy—or we can allow the price system to assert itself in compliance with market laws. Today, Hungary is in a transitional period, when the conditions of a real market economy do not yet exist. At the same time, the remains of the former system—monopolies, collaborations—which make it more difficult to influence prices by market means, still prevail. We should strive to phase out these monopolies, trusts.

[Regos] Have you any concrete idea about this?

[Antall] Certainly. Appropriate measures have been taken for this, and in the course of these measures, these enterprises must be eliminated. For instance, the ministry has launched measures to liquidate the Milling Industry Trust. Other similar organizations must be wound up, for it is an impossible situation that, with regard to the free price system, at random—almost as a result of some suggestion—the prices of some goods have been raised without any justification. The path from producer to consumer, especially, should be shortened. Further—and this is the purpose of the bill the government worked out and will submit to parliament on guaranteeing fair competition—the conditions of fair competition should be ensured by an economic competition office; this is the most important means of keeping prices down.

[Regos] In addition to prices, unsettled proprietorship has been causing a lot of problems and confusing the public. After the government session on Thursday [9 August], various rumors spread; we could read, for example, that the former owners will get back nothing but land.

[Antall] In order to improve economic life in Hungary, privatization is necessary. Every party agrees on this. It is a fundamental condition of privatization that legal uncertainty should stop. One cannot implement any privatization with legal uncertainty, for no one will buy any real estate or anything with uncertain ownership; this pertains to foreign investors, too. Thus, if privatization represents a basic economic issue, settling and

defining ownership, together with privatization, also represents a fundamental issue.

One question is that of land. According to the postion jointly formulated by the three parties, first of all, those will get land who are working in basic agricultural jobs; these are the ones who must be satisfied first, regardless of whether they had land before or not.

Secondly, the former owners must be satisifed, and the order is very important in this respect, because we must start from a given, available quantity of land. According to calculations and observations, we need not be concerned that nationally there would be such a large number of claimants that it would be impossible to satisfy them.

The other point is that large units of production could also remain—the cooperatives or jointly owned land—where these are working well and where the members wish to retain it. Therefore, it is not a question of anybody wanting to break up a perfectly-working agricultural system.

The priority is to maintain continuous production. For this reason, it is very important that sowing take place and the land be cultivated; this process must not be allowed to influence the agricultural sphere.

Apart from the productive land, the return of original property is impossible to implement without enormous injuries and enormous injustices. Therefore, the government's basic concept is that, apart from the privatization of agricultural land, in the order outlined earlier, there should be no re-privatization in other areas—the return of the original properties, real estates, workshops, etc.—but compensation should take place within a compensation system using bonds, in proportion to the size of the original property, but not to the full value of the original property.

We must take the initiative, and this we could call a national share of the burden. But here in this country, everybody was a loser. Not only the owners lost their properties, but those who, for some reasons—for some political reasons—could not achieve certain things: those who were persecuted, and I am not talking only about prisons, but in other ways. When a country has experienced such a period as after the Turkish years, the original property position could not be restored in Hungary; after such a political change there is no opportunity for this, and it would be the source of new injustices. To this I would like to add that it is an integral part of this national burden-sharing that, as a package of providing justice, this should be manifest in other areas as well. This applies to the special high pensions as well to other privileges, part of which must be given up by those who achieved these with their political merits.

[Regos] Indications are that you and your government have credibility abroad, both in the moral and material sense; perhaps even more than is visible from the statements of those who form public opinion at home. Hardly a week passes where we do not receive news that the Hungarian Government is receiving credits from here or there. People take note of these, and they are interested in what becomes of these credits. When will the people themselves feel the beneficial effects of these?

[Antall] One part of these credits serves to ensure that we can guarantee the repayment of interest. Another part of the credits serves to ensure sources of credit for the population—entrepreneurs—both in connection with privatization and in the interests of enlivening production.

[Regos] When? For people have been waiting such a long time to be able to take up loans and to start on something.

[Antall] The first truly cheap credit possibility will begin in September with the Livlihood Fund, which will ensure that small entrepreneurs are able to borrow up to 5 million forints under very favorable conditions.

Here, with these economic questions, it is also worth speaking about Hungary's present, as well as the whole central-East European region. This political restructuring, the collapse of the communist system—the communist political system—at the same time means also the collapse of economic systems; for these collapsed, and this power change came about because economically, these systems became incapable of functioning. So, we, at the same time, must cope with the consequences of the economic landslide in the Soviet Union, and the former CEMA—or still existing CEMA—countries, with the crisis in the whole communist system. Added to this are manifestations which, in part, are connected with this, such as the reduction by 30 percent of Soviet oil shipments, or now, the latest Middle East crisis. The effects of this on Hungarian economic life, for this, too, affects us directly, both in the case of Iraq and Kuwait, and in the whole Middle East region.

[Regos] When the deputies' summer holidays end, and parliament resumes, the 100 day grace period [tuerelmi idoe] which the government was given expires, too. What will change after that in the activity of the government and the life of the country?

[Antall] Well, first of all, I would like to say that this grace period, which we earmarked in 100 days, and which I requested in my speech when I was elected, is, as a matter of fact, a parliamentary tradition which has developed. This is a parliamentary custom which has developed worldwide, that governments are given 100 days to organize themselves, to work out its program, and to lay its foundation for its functioning in the first 100 days. This, of course, does not happen when a democracy is created after a dictatorship of several decades, but it is customary at a normal change of government—in England, or in the FRG, or in France—to give 100 days as a grace period. During this grace period, it is not customary to attack or criticize the governments in the forms which are used later. I asked the National Assembly, and at the same time, naturally, the public, for these 100 days. I think I can safely say that ths grace period can, at most, be applied to us; that is, we were patient in the cauldron of constant attacks and

constant criticism. So, we did not receive much patience or grace in the National Assembly, just as in the press and in other places; I do not think we could enjoy much patience. So, I do not think this means a great difference for us. From this view point it does not mean anything for us.

[Regos] Permit me not to take a stance on this, but let me make the observation that your situation will be easier now, for you are used to attacks. Let me ask, does this coming period signify anything new in the work of the government, and if so, in what respect?

[Antall] Well, the actual task, during the autumn when the new National Assembly session commences, is for us to try to carry through the already submitted bills—the proposals already submitted. It is also the task of the National Assembly, government and opposition, to develop the bills to the best of their ability. We do not take it amiss from the opposition if they make good proposals. Thus, the characteristic of the autumn period will be that we will submit the most important bills regarding economic restructuring before the National Assembly, and the lawful frameworks of these restructurings must be ensured in this area, too. Alongside this, local government elections will take place, and the local election campaign must be conducted in September.

Another very important area pertains to this restructuring, namely the re-election of enterprise councils. I would like to emphasize that the government is responsible to a democratically-elected parliament which operates according to the stipulations of the Constitution. Thus, it cannot be expected that this government do everything itself. At the same time, we hear observations that the government centralizes everything, wants to put everything under its authority, wishes to create a wide sphere of influence; and, on other hand, that it is impotent, that it does not take action, and so on. These are all qustions where...[changes thought] well, it is our job to govern, and it is the job of our opponents to criticize, which, naturally, they may do. The basis of success is, as a matter of fact, that the whole of Hungarian society also participates in this. This restructuring and this renewal is the task for all of us, and we can only do this together; in the enterprise sphere, in workplaces, or in self-governments, only with the participation of people. The government cannot be expected to do everything.

* Goncz on Nation's Confidence, Economy, Religion

90CH00300A Budapest NEPSZABADSAG in Hungarian 14 Jul 90 pp 1, 9

[Interview with Interim President Arpad Goncz by NEPSZABADSAG Chief Editor Pal Eotvos and NEPSZABADSAG Social Policy Editor Kornelia Dolecsko in the president's office in Budapest; date not given: "The Nation Must Now Move Away From Dead Center"]

[Text] Arpad Goncz, the Interim President of the Republic of Hungary, gave NEPSZABADSAG an interview. Our paper's questions were put to the President by Pal Eotvos and Kornelia Dolecsko, our editor-in-chief and social-policy editor, respectively.

[NEPSZABADSAG] Mr. President, we thank you for receiving the staff members of our paper. With our first question we would like to approach the contradictory situation that has remained the same even after the change of regimes: there is much bitterness, and the nation is gloomy. That much is obvious, even if the intonation is different from what it was before. We sometimes refer to the changes that have taken place as a revolution. But even if they never change a country's financial situation overnight, revolutions usually do produce a radical change by creating a sense of starting anew. That has not happened in our case, at least not with penetrating force.

[Goncz] In the final outcome, this change of regimes has not been charismatic. What charismatic experience the nation has had is associated with 1956. Probably nobody has stopped to consider that, in itself, a change of regimes is never a sharp and accurate dividing line: it is always a process. And here I have no intention whatsoever of saying that everything we are experiencing in Hungary at present—the public mood, for instance—is a consequence of the past: slowly but surely, our right to cite the past as an excuse is running out.

Whenever there is a change of regimes, people must sense that a real change is taking place. Admittedly, they are not sensing that at present. In my opinion, at this very moment we are at dead center, at the point where the past is just about to turn over, must turn over, into the future. For the time being, however, the people are aware only of the dead center. How the next two or three decisive months develop will depend, I think, on whether a majority will sense also directly that something has happened. For them, in their interest. After just a month and a half in office, of course, it is too much to expect a government to produce tangible results. If for no other reason, because what is taking place in Hungary is a change of regimes, much more than a simple change of governments. New people, with relatively little experience of public administration, find themselves amidst relatively new conditions and must cope with entirely new problems. Even the legislative branch is still working hard on the framework, because we have inherited a system that must be modified and amended, and features must be added to it that will produce a tangible change.

But everyday life is the main source of tension. A society that is not yet able to solve the question of poverty and is struggling to merely alleviate it—due mostly to a paucity of money, out of necessity, rather than for a lack of good intentions—finds it very difficult to recognize the steps that point into the future but are not yet readily discernible. For the time being, the threat of unemployment still hangs over us like a dark cloud. The rate of unemployment is not yet unbearable, but sufficient to make many persons feel insecure about their livelihoods. The specter of pauperization hovers over us, and we must also reckon with a phenomenon that accompanies entrepreneurship: a stratum becomes disproportionately

richer, while another stratum becomes disproportionately poorer. To lessen the tensions that can be expected, that oft-mentioned welfare safety net must be made perceptible. A recent experience, the open letter that the Railroad Workers Free Trade Union addressed to me, provides a good example of how everyday cares manifest themselves in practice. That letter sends a chill down my spine. It reads in part: "As Hungary's first man, it is your strict duty to reassure the people of this country. To regain their confidence. Because confidence seems transitory: anyone experiencing difficulties in making both ends meet, or in earning a livelihood, no longer has confidence." This, I believe, expresses with haunting accuracy the problems confronting us.

[NEPSZABADSAG] But if the hope-generating effect of the change of regimes is lacking—which is something that should not be gratifying even to those who, shall we say, are not exactly rooting for the present government's success—then what will move the country from the dead center you mentioned?

[Goncz] First of all, I would look forward to economic measures that will liberate creativeness. Measures that will stimulate the founding of small businesses and the creation of jobs, for instance. Even among foreign investments, therefore, I prefer the ones that create jobs, through a considerable number of small businesses. Because our next task, the privatization of old and obsolete industries, will initially be accompanied by a loss of jobs.

[NEPSZABADSAG] Unfortunately, society is rather cruel: it is willing to accept something that is bad for a minority, if the majority feels that the given thing will be better for it. But now the majority lacks this feeling. What does exist is often the exact opposite: new hopes arise in the minority, at the majority's expense. Consider, for example, what you now find in Hungary's villages, in agriculture. While the change of regimes has claimed relatively little sacrifice at the highest levels, "below"—instead of proceeding along well-marked fencing strips—it is rending asunder the villages and collectives, and bringing enmity into the families. The son-in-law and his father-in-law are arguing over the dinner table, because one favors retaining the land [in the cooperative] while the other wants his land back. Many families have cast embers onto their thatched roofs, while the direction from which the wind is blowing is unpredictable.

[Goncz] I, too, used to be a farmer, and am quite familiar with the yearly round of farm chores. The sequence of spring, summer, autumn and winter is immutable. The basis of all economic policy in agriculture is to ensure the continuity of farm production. Unless prevented by force from doing so, farmers will continue to sow and reap.

The ensuring of this continuity in the longer term, however, requires an economic policy, an agricultural policy, that enables everyone in the villages to accurately assess his future opportunities. Today these opportunities point in two directions. On the one hand, anyone able to obtain capital—for which he will need help, of course—to match his entrepreneurial spirit should be able to switch to private farming. On the other hand, the agricultural cooperative should be able to elect its own chairman, manage its own production, determine its own organization, and adapt to the local conditions it knows well. It is indisputable that both these directions will require personal decisions. Thus, in the final outcome—and this is my answer to the gist of your question—we have to ensure a calm background for those decisions. The members of the agricultural cooperative must know that they will be able to decide their own destiny, and also the private farmer must be able to create the basis of his success.

If we adopt the West's system of farming, it will be economically unsound to think in terms of dwarf holdings 3 to 5 yokes in size. On the other hand, it is also true that never before has there been such intensive farming in Hungary as one now finds on the household plots.

I am hopeful because, in my experience, life always provides loopholes to success. The only trouble is that we do not now know where those loopholes lead. I am firmly convinced that the Hungarian people, individually and collectively, are mature enough to recognize correctly their interest. It is due only to the circumstances that they are unable to do so momentarily. The primary political task, therefore, is to create an unambiguous situation, for everyone.

[NEPSZABADSAG] Our impression is that the people are not living in a state of enlightened grace. Quite the contrary. In some respects, the current remodeling of the party-state's structure must truly be valued highly. Viewed from below, however, this—Parliament's work, for instance—calls to mind the picture of the roof being carefully designed somewhere up there, amidst stormy debate. Unfortunately, the roof fits neither the foundation nor the walls. And the shouts from below—that there is trouble, the economy is not functioning, and the measures are confusing and contradictory—are in vain: up there the loud debate drowns out everyone's voice.

[Goncz] To answer your question, I will again quote from the aforementioned open letter: "The deputies' honorarium or the country's seal was not what the National Assembly should have included in its orders of the day! Disturbing the dead was not what should have been given first preference! Don't the living need to be rehabilitated? Or will we be doing that afterwards?" These are very bitter words. On the basis of the external signs, I too would be inclined to say that Parliament is divorced from reality, and the debates taking place there do not reflect reality. But I am not saying so, because I believe that Parliament is an accurate reflection of society. I cannot even condemn the deputies if they speak of and to one another more bitterly, and if the debates are more acrimonious than they should be. Because the deputies share their constituents' public

sentiment. This is evident also from the fact that we often hear sharp speeches against the government by the ruling party's deputies who—subconsciously, no doubt—are speaking for the benefit of their constituents and their television audience. At the same time, the level of debate and argumentation is high, and we have no reason to be ashamed of it. Society's maturity is discernible in the topics debated in Parliament, and society's irritation is reflected in the manner in which the debates are conducted.

There is nothing I await more anxiously than the commencement of convalescence. Which in itself could liberate an enormous amount of energy, and that would be evident also in Parliament, just as on a thermometer. Because it is indisputable that, at present, all seven parliamentary groups want essentially the same thing. There are differences only in their approaches and points of departure.

[NEPSZABADSAG] What do you mean by saying that everyone wants the same thing?

[Goncz] Take the market economy, for instance. We know that it is inevitable and appears to be our only way out at present. And everyone is also aware that the market economy, as a manifestation of a competitive society, will unfailingly produce its defenseless masses, those who are bound to be the losers. For that very reason, society as a whole will have to protect them.

[NEPSZABADSAG] Earlier, in conjunction with the functioning of Parliament and of the political parties, we dwelt briefly on the problem that these losers do not feel that they are being represented.

[Goncz] It is bad when we speak on behalf of the people, but the people themselves do not speak out. Allow me to recall a recent episode. At the premier of Marta Meszaros's film, I delivered a speech, very personal in its tone. In it I wondered where were the offspring of those working-class youths who had sacrificed their lives in the streets in 1956. I received a very nice, sensible and objective answer, on behalf of youths half my age. The writer pointed out that he had been an infant at the time, the whole thing had not been an experience for him, and for that he could not be called to account.

He was right. We cannot call people to account for the revolutionary enthusiasm of those days, nor can we speak on their behalf about that enthusiasm. But what I would nevertheless like to demand an account for is that everyone must strive to take control of his own life and destiny. I regret the fact that real interest groups have not been formed and are not functioning, although the possibilities for their doing so exist in principle. And among them I include both the employers' and the employees' organizations that are strong, qualified to negotiate, and are responsible in their thinking.

[NEPSZABADSAG] Regarding interest groups, an endeavor whose aim is diametrically the opposite has just surfaced, rather crudely.

[Goncz] . . . and, regrettably, I miss not only the interest groups, but also the entrepreneur who could negotiate with such a group. The situation is rendered difficult by the fact that the negotiating partners are not on firm ground. In other words, there is neither an interest-representing organization nor an entrepreneurial stratum that could mutually agree on anything. Only tempers are rising at present.

[NEPSZABADSAG] Mr. President, how has the referendum initiative affected you personally, and what is your opinion of it?

[Goncz] I am in a difficult situation. As the head of state and the official guardian of constitutionality, it is difficult for me to speak of my personal feelings. Therefore, let us separate my personal opinion from my official role. There is this popular initiative, supported by more than 100,000 signatures. I am duty-bound to hold the referendum at the earliest possible opportunity. The people must be asked to express their opinion regarding the election of the President.

As a private citizen, I do not think that the popular initiative has been directed against me, and that idea has never even occurred to me. But since the launching of the drive for the popular initiative—although I still feel that the nation's confidence in me is undiminished—I have experienced with a sinking heart that I am being labeled as the pact President. Which in practice means that I have gained this chair thanks to bargaining among power elites who stand above the people. Frankly, I feel that I have accomplished a thing or two in my lifetime, and it was merely an accident that a pact was concluded at my expense. Or perhaps it was not entirely accidental that the choice fell on me. Thus I would be lying if I were to say that what happened has not affected me personally.

I have already said so unequivocally, and therefore there is no need to repeat that I am willing to stand up and be measured if the referendum decides that the President should be elected by direct vote. And if the decision is that Parliament should elect the President, I will take cognizance of that, too.

[NEPSZABADSAG] How will all this affect your future?

[Goncz] I have a place to return to, and no vital interest linked to the Presidency. And allow me to add something I find difficult to express, both as a private citizen and in my capacity as President, but which is my opinion nonetheless: I feel that the manner in which the President is elected is not really an essential question just now. I beg to differ with the sponsors of the initiative, but they have raised a secondary issue to the central one. Which was true also of the lengthy debate on the nation's seal.

I am very concerned that too much of our energy is being wasted in debates that have been sidetracked. If somebody were to tell me that the whole referendum could be dispensed with if I were to resign from office, I would gladly oblige, so that we could move on. I consider the

nation's interest more important than that specifically I should be sitting here, in this room.

[NEPSZABADSAG] But will you run if the President is to be elected by direct vote?

[Goncz] Yes, I will.

[NEPSZABADSAG] Even if Parliament is to elect the President?

[Goncz] Even then. And if the nation does not want me, I will accept that, too, with equanimity.

[NEPSZABADSAG] May we ask whether you know of any other potential candidates, besides yourself, who would have a good chance of winning and might run?

[Goncz] I have not the faintest idea of other candidates. But never fear, there will always be candidates for a public office. Or at least self-nominated candidates. After all, the person who has not tried it does not know what he is getting into. He is not aware that he will be getting open letters like the one from the railroad workers. And that he will have to square such things with his conscience.

[NEPSZABADSAG] On several occasions you have spoken on the question of religious instruction. Would you sum up your opinion on this debate, which has turned acrimonious?

[Goncz] I would like to state my personal opinion, in full awareness of the fact that we have already heard a very definite standpoint on this issue in Parliament, and have read the statements issued by bishops as well as several other things. I would like to begin by stating two things that you probably know already about me. First, that I am a liberal. And secondly, that I am a Christian. As a liberal, I would like to see a free church in a free state. And in the place of every church, I would strive to be entirely free of state influence of any kind. I would consider very carefully any stronger ties with the state, because then I could advocate a purely ethical standpoint more boldly and more directly. As a Christian, it is my duty and right to criticize anything from this basic ethical standpoint. The formation of congregations that live according to their faith is in the fundamental interest of the Christian church, of every denomination and, I am convinced, of lay society as well. In this way the congregations become entire society's leavening agents. I have seen more than one such congregation, even in the past period. The Calvinist congregation in Pasaret, for instance. Or Imre Kozma's Catholic congregation in Zugliget. The latter congregation is the base for the young volunteers of the Maltese Ambulance Service. Both are typical examples of Christian congregations that transplant their faith into practice and radiate the internal observation of that faith to entire society. In the place of both church and state leaders, I would strive for the establishment of as many such congregations as possible.

At the same time, I am not entirely certain that faith can be graded. Earlier I said that I am a Christian, but I do not know what grade I would give myself in religion. I do not think it is essential whether religious instruction is the first or the last period, and whether it is provided in school, at the parish house, at some other premises maintained by the parish, or even in a private home. I am not even sure that the most important question regarding religious instruction is whether or not it is included in the schedule. When I think back to my own teenage years, to religious instruction in a society that kept a record of who was entered as a Christian in the registry of births, I am unable to say how many in our class were truly Christians. Now, starting with a clean slate, it would be possible to build real Christianity. But that does not depend on whether a slot for religious instruction is available in the schedule, on who pays the religion teacher, and on whether that teacher is a member of the faculty. The building of real Christianity requires shared experiences, love, and the establishment of a congregation. I am very alarmed by what is beginning to dominate this debate. I am afraid that a kind of cultural struggle is unfolding here, on questions that have very little to do with faith or Christianity. And not much to do with liberalism, either.

All my life I have opposed all forms of exclusion. It would be very bad if now this question were to shift to the center of attention. When seeking a solution, we must consider not the form, but the essence that adapts flexibly to the local possibilities and the local demand.

[NEPSZABADSAG] Unfortunately, we already have experiences which lead us to conclude that questions of form as well as uncivilized passions dominate the debate on religious instruction.

[Goncz] You probably have already heard that, in my opinion, we have to fight the little Stalins and the little Brezhnevs in our midst. Or the little Hitlers and little Ceausescus, if you prefer. It is all the same. Anyhow, we must fight by all means the little careerists who want to force what they think is right on everyone else. And that will be the last and most distant stage of the change of regimes, the final "change of regimes."

[NEPSZABADSAG] Let us pick up again a thread we dropped earlier: your sentence that all the parliamentary parties are acting responsibly, and that in the final outcome everyone wants the same thing, i.e., what is good. We regard this statement more as an accusation than as praise. Because we are convinced and know from experience that previous governments and parliaments usually did not meet for the purpose of some diabolic conspiracy. For decades, motivated by good intentions or by fear masked as good intention, they were unwilling or unable to dress and scrub up for the necessary operation and to reach for the scalpel.

[Goncz] There is some truth in what you are saying. And I think this was so because usually experienced surgeons are the ones who perform operations, and first they develop their procedures experimentally on dogs. But today we must perform serious operations with a penknife, like in emergencies aboard airplanes. So far no one

has tried to convert the centrally managed economy into a market economy. Everone is talking about what sacrifices this will entail. But everyone also knows what this sacrifice will mean in practice: many people will be dining merely on chicken necks, profanely and crudely stated. But if poverty gains the upper hand and the emergency operation is unsuccessful, that will mean the policy's failure and the politican's downfall. And what we are talking about is not just the loss of power and a political downfall, but a moral one as well. Yet the life-saving emergency operation must be performed. Whether it is performed gradually with small cuts or swiftly with a single incision, the operation is dangerous for both surgeon and patient. This is a cruelly difficult task, but there are times when it is impossible to ask the patient whether or not he consents to the operation.

And the present moment, in my opinion, is such a time.

[NEPSZABADSAG] Mr. President, we thank you for the interview.

Interior Ministry Official on Local Elections

AU1208210490 Budapest NEPSZABADSAG in Hungarian 8 Aug 90 p 1

[Report on interview with Istvan Morvay, state secretary at the Ministry of Interior, by Karoly Rimoczi in Budapest on 7 August: "A Trained Professional Apparatus Will Also Be Needed in the Future—Elections in the Fall: Forced Pace"]

[Text] With the local council or self-government elections approaching—elections that will determine the future of public life in small and large communities, and will complete the change in the regime—the bodies in charge of organizing and carrying them out have started their activity. Following an often fierce debate of several weeks, the National Assembly passed the self-government laws on 3 August, and Istvan Morvay signed the order on the schedule of the local elections on 6 August.

[Rimoczi] What do you regard as most important in connection with this law?

[Morvay] We have very little time for preparing the elections, and therefore, we have to work at a forced pace. We will need well-trained professionals and firm and well-organized work in order to fulfill the various tasks. A lot will also depend on information, precisely because of the very little time available.

[Rimoczi] Will the current local council apparatuses be able to face up to the task?

[Morvay] I am sure that, with the experience of two referendums and the National Assembly elections, they are properly prepared for the elections to be held on 30 September.

[Rimoczi] Are they also prepared spiritually, because one could say that they are now working against themselves?

[Morvay] I am sure that they are already waiting impatiently for the elections, and they want to have them over as soon as possible. The apparatus was morally affected by the current transitional period, and this is increasingly felt in their work, and in the level of office work.

[Rimoczi] Many people complain that they feel as if they were in a vacuum. This feeling is accompanied nowadays by an increasingly palpable fear. An increasing number of people are leaving for other jobs because they are trying to escape from this insecurity. Is the local councils' apparatus still operational?

[Morvay] People have been leaving the local councils for a long time. For about a year this fluctuation of manpower has increased; because, considering the upcoming changes, many people came to the conclusion that they would not have a place in the new self-government system. In my opinion, this view has been given more weight than necessary, because a well-trained professional apparatus will also be needed in the future, perhaps even more so than today. Primarily the local councils' activity, rather than the administration of local affairs, has been affected by this uncertainty. This can primarily be seen in the inability of council meetings to come to a decision. However, the professional apparatus has always worked properly.

[Rimoczi] Has it not occurred to you that this apparatus might boycott or try to hinder the elections?

[Morvay] This is impossible. I am convinced that everything will be carried out in an orderly fashion. I think that they are aware of their responsibility, and they are now working so publicly that they cannot risk any boycott. I consider this to be impossible.

CEMA Economic Cooperation Seen as 'Collapsing'

AU1308080590 Budapest MAGYAR HIRLAP in Hungarian 8 Aug 90 p 9

[MAGYAR HIRLAP correspondent Katalin Antaloczy article: "What Will Follow the Demise of CEMA?"]

[Text] The economic cooperation system of East European countries is visibly collapsing. We have reached the final stage of a process that has been going on for a long time. We could also say that the danger of CEMA's collapse has existed since the day the council was founded. Indeed, it is evident that a properly functioning economic integration system cannot be established when political restrictions abound, when real economic interests are suppressed or distorted, and when microrelations are excluded.

Up until last year, it was in the name of political cohesion that we kept CEMA together and tried to forget about its problems. In other words, last year's changes rocked the council's most important pillar of support.

The question today is, precisely, whether a new system of regional cooperation between small East European

nations can be built upon the ruins of CEMA. Furthermore, will these countries be able to develop mutually advantageous and equal relations with the Soviet Union?

Bringing about a system of closer cooperation between small nations has been the dream of many a philosopher—in Hungary, since Lajos Kossuth and later Oszkar Jaszi. The most recent attempts to implement such a system were undertaken in 1946-1947, but Stalin personally put an end to these attempts, because a regional central and East European market integration system set up without the Soviet Union did not fit into his superpower aspirations.

Today there are definitely no outside obstacles standing in the way of the integration of small nations, and yet we are witnessing signs of disintegration, rather than anything else. This process will probably become even clearer in the near future. Why is this?

CEMA was founded on Soviet domination. The role of the Soviet Union was a determinant in the trade relations of all small countries, while trade among one another and the economic importance of these states carried far less weight. Using quotas, manipulated prices, and extreme bilateralism, the foreign trade and financial systems were structured in precisely such a way as to maintain, or even emphasize, this isolation. Parallel projects were set up in accordance with the needs of the Soviet Union, and this precluded any closer cooperation amongst smaller nations.

Beware of the Neighbor All East European nations are expecting the developed Western countries to change their economic situation for the better, and to give them the opportunity to move away from the periphery. At the same time, they prefer to avoid their neighbor in crisis, rather than develop closer links to him. To this, we must add that integration fundamentally depends on the termination of all autarchic planned economic systems, on the development of the domestic market economy with the introduction of privatization and the discarding of monopolies, and last, but not least, on the convertibility of the national currency. However, even Hungary, leader in its field, is far from these objectives. (The GDR is an exception, but its situation is different in every respect.) Finally, the newly intensified, or rather reemerging conflicts and nationalist outbursts certainly do not contribute to the establishment of closer cooperation.

If possible, establishing new kinds of links with the Soviet Union is even more difficult. Terminating its dominance would imply creating a conflict, and our export and import dependency is still great.

An extraordinary uncertainty already characterizes present trade relations with the Soviet Union, and in the immediate future this will become increasingly true; this poses a great problem for our "orderly" withdrawal. The empire is crumbling and the individual republics, as well as the center, are increasingly trying to defend their own interests, against each other and against us.

Instead of Jamburg [Soviet natural gas excavation project]....

Despite all previous declarations, not even the first signs of a market economy are visible in the Soviet economy. Planning still determines the functioning of the economy. In areas that no longer have planning, the situation is rather chaotic. Shortages are enormous, but the Soviet market cannot pay—at least not in sufficient measures. The country used to try different methods to obtain surplus income—requesting the allocation of investments, promoting joint enterprises, and later simply incurring a debt. However, today it can only turn to the small countries if the terms of trade currently valid in trade relations are modified. The conversion to dollar accounts will precisely help this change in terms of trade.

In very simplified terms, the deterioration in terms of trade means that, for the same amount of fuel and raw materials imported, we will have to export a greater amount of domestic products—or dollars. Also, for a reduced amount of goods received, we will still have to send the same quantities as before.

Naturally, it was not for this reason that Hungarian experts pressed for the conversion, but instead to put an end to state trade, obligatory quotas, and the Bucharest price policy, and to introduce more diverse foreign trade relations. Today it is clear that, at least in part, these objectives might prove very difficult to attain.

The Threat of a Dollar Clearing

Statements made by Soviet politicians and economists lead us to believe that, as far as they are concerned, it is the new currency and the new prices that symbolize reform, and they still wish to conduct trade mainly using interstate agreements and mutual goods exchanges. (Our formulation is made more uncertain by the fact that, to this very day, so little has leaked out about the agreements reached by Jozsef Antall and Mikhail Gorbachev). Therefore, it may still happen that the worst alternative comes true—a dollar clearing.

Experts are also very uncertain about how the conversion will affect the volume and structure of trade. Initially, it was almost unanimously held that a considerable decrease in trade was to be expected, including a decrease in exports from the engineering industry. Today one finds opinions claiming that trading in dollars could also spark off a renewed upward trend in Hungarian exports. The author of this article is also inclined to agree.

However, if a withdrawal from the Soviet market does occur, we still have the biggest battles before us. The reorganization of enterprises currently oriented towards the Soviet market could only be carried out by restructuring their present activity, dismissing some of their employees, and injecting Western capital; in some cases, not even this would help.

In other words, CEMA lies in ruins, and, at this point, it is difficult to see what might rise from its ashes.

Evacuation of Poles in Iraq, Kuwait Planned

LD1008200390 Warsaw PAP in English 1755 GMT 10 Aug 90

[Text] Warsaw, Aug. 10—As we have already reported, Poles working in Iraq and Kuwait will be evacuated. Iraq's authorities gave their consent for their departure providing they receive exit visas under, what they termed, "ordinary procedure."

According to the information provided by Poland's Foreign Ministry, exit visas are granted to all foreigners who have stayed in Iraq longer than 30 days. It is still unknown, however, how long will the procedure take.

Poles will be evacuated by land to Jordan or Turkey by means of transport of Polish enterprises operating in Iraq. The Polish airlines "Lot" have asked Jordan's authorities to allow for the landing of a charter plane in Amman. Talks are underway to speed up the initial date of the landing set on August 21 by a week.

The information that Iraqi authorities agreed on the departure from that country of all foreigners who have tourist and commercial visas granted before Aug. 2 has not been confirmed.

Contract Employees Barred From Leaving

LD1108180190 Warsaw Domestic Service in Polish 1700 GMT 11 Aug 90

[Interview with Deputy Foreign Minister Jan Majewski by Krystyna Koziol on 11 August; place not given—live or recorded]

[Excerpt] [Koziol] Have you got some good news?

[Majewski] We are only going to be able to say whether it is good or bad once it has been carried out. In the last few days the ambassador of Iraq has been invited to the Ministry of Foreign Affairs twice.

[Koziol] This information is being given to us by Jan Majewski, the deputy ministry of foreign affairs.

[Majewski] In both cases the main subject of the talks was the matter of the evacuation of Poles, mainly from Kuwait, but also of those wanting to leave Iraq. Today the ambassador brought a reply by the Iraqi Government to our demands, and in its reply it stated that the Iraqi authorities agree that all Poles employed in Polish and foreign enterprises who want to leave the territory of Iraq and Kuwait could do so by an overland route to Jordan. Their families are also included. Polish citizens who have signed contracts with Iraqi enterprises and institutions are excluded. In their case the matter of their departure will be regulated by appropriate contractural decisions. [passage omitted about assurances of help in this manner by Iraq, and the manner in which the evacuation will be arranged]

Kuwait Evacuation Organized

LD1208174190 Warsaw PAP in English 1543 GMT 12 Aug 90

[Text] Warsaw, Aug. 12—Poland's Ministry of Foreign Affairs is working hard to organize the evacuation from Iraq and Kuwait of all those Poles who wish to return to Poland, the ministry's consular department told PAP.

It is expected that the first group of a dozen or so Poles will arrive from Iraq and Kuwait in the capital city of Jordan, Amman on Monday. Under the first stage of evacuation 1,000 Poles, some 700 from Kuwait and nearly 300 from Iraq, will leave for Poland.

VOA, BBC Reportage of Iraq, Kuwait Criticized

LD1008223690 Warsaw PAP in English 2103 GMT 10 Aug 90

[Text] Baghdad, Aug 10—Polish diplomatic sources said that the situation in the Polish quarters in Iraq and Kuwait is very tense. Managers of firms ask for more balanced Polish-language programmes of the BBC radio and Voice of America. They should carry more facts, less comments, and should not incite anxiety among Polish workers in Iraq where there is peace indeed.

According to confirmed reports, exit visas can be obtained through regular procedure in Ramadi and senior official in the Iraqi Foreign Ministry's consular department, Al-Gaylani, has confirmed that exist visas for Polish citizens are being issued on regular basis, that is, following a support from the person's Iraqi employer.

Ambassador Views U.S. Ties, Role in Europe

LD1108190290 Warsaw PAP in English 1712 GMT 11 Aug 90

[Text] Warsaw, Aug. 11—In an interview for the ZYCIE WARSZAWY paper today, Polish Ambassador to the U.S. Kazimierz Dziewanowski said, among other things:

"The attitude of the U.S. towards Poland used to be the function of its attitude towards the USSR. Poland was perceived as a weaker link of the communist camp because of its society's resistance to the system. It was convenient both when its liberalization weakened the bloc's cohesion and when, for instance, after Dec. 13, 1981 the adoption of the more stringent course by it could be used for the NATO consolidation.

"Today this changes. Americans treat Germans as one of the main elements in the policy on the global scale; they back Germany. Chancellor Kohl is given Washington's big favours. But it does not ensue from this that Americans want to cede their interests in Europe to Bonn.

"And it is here that the role of Poland is growing as it has some convergent interests with Americans on the continent. In this case we became a partner, the one enjoying equal rights.

"Moreover, Poland has potential chances to start cooperation with Czechs, Slovaks and Hungarians. Naturally, a lot depends in this respect on an improvement in our financial conditions, this being partially dependent upon the U.S. It seems that Americans initially viewed our activeness in Eastern Europe in a sceptical way, but this is changing now."

"The Polish foreign policy is mainly interested in what goes on in the direct vicinity of its borders. And hence our policy will always focus on Germany and Russia, this will never change.

"Anyway, relations with America are secondary to some extent. They are extremely important because it is, after all, the main world power, much depends on its goodwill. In addition to this, there are traditionally good contacts between both societies and ties of friendliness.

"Nevertheless, relations with the USSR and Germany are the most important. Poland does not subordinate its policy to any other reasons than those of the national interest.

"First of all, we are after the continuation of American commitment to Europe.

"We need the U.S. technology and know-how, we cannot join a group of Western countries without the American involvement."

Agency Director Discusses Foreign Investment

AU1008100490 Warsaw RZECZPOSPOLITA (Economy and Law Supplement p 3) in Polish 7 Aug 90

[Interview with Zbigniew Piotrowski, chairman of the Agency for Foreign Investment Matters, by Piotr Aleksandrowicz; place and date not given: "Towards Liberal Solutions"]

[Text] [Aleksandrowicz] Our system is changing, but the flow of foreign investment is still a trickle.

[Piotrowski] The inflow of foreign capital in the form of direct investment is moderate and directed at established companies. Foreign partners come here with their own market outlets, and in general, they want to utilize the production capacity of Polish enterprises which are struggling under the burden of their own unsold production. It is difficult to say that this foreign capital wants to participate in our structural changes.

[Aleksandrowicz] Some 800 new, and mainly small joint ventures were formed in the first half of 1990. This would seem to indicate that only small investors are willing to take risks.

[Piotrowski] Strictly speaking, this is the number of permits we have issued. The total number now exceeds 1,700. However, not every such enterprise has begun activity. This is also true for the few very large enterprises such as Kvaerner Gdynia Shipyard or Intercell, where the declared foreign capital is $17.5 million and $10 million respectively. Neither venture has as yet got off the ground.

The positive aspect of this is that the average investment of the foreign joint partner has in recent months increased and, in the case of one venture now stands at some $250,000. The largest number of ventures are with FRG, Swedish, Austrian and U.S. companies, and the total invested capital in Poland (actually declared) by the foreign partners amounts to some $400 million.

[Aleksandrowicz] Small ventures are important, as they stimulate the economy. However, large joint ventures reflect the measure of confidence that foreign investors have. Here we have very little.

[Piotrowski] We now have ABB-Zamech Limited, a Swedish-Swiss venture of Asea Brown-Boveri and Zamech of Elblag. Apart from IKEA, Marriott, ICI, Adidas, Unisys, corporations that have already invested capital in Poland, this is the best known and above all the largest enterprise.

Apart from Marriott, I can also mention other hotel concerns that have received permission to construct and manage hotels in Poland—namely, Hyatt, Pullman, and Trusthouse Forte. The Alcatel-Telkom-Teletra partnership could also become very important in the future. Recently, Mitsubishi has received permission to form a service company, and in the area of banking services, there is American Express Bank Limited.

All this is still very little, but there will be more important firms before the end of the year.

There are many negotiations, but it is difficult to predict what the outcome will be. Everything depends on the action strategy adopted, for example, ABB is very active and is close to finalizing a second agreement, whereas Asahi Glass has been in negotiations for the last three years with the Sandomierz Glass Works with no concrete results to show for it.

[Aleksandrowicz] Can you put your finger on precisely what it is that is holding back foreign investors? Apart from the well-known state of our telecommunications and roads.

[Piotrowski] The businessman cannot feel secure in Poland, because of the constant and sudden alterations to our tax, banking, currency, and property regulations, and so on. I call this the dramatism of the changes in Poland. However, it is difficult to assess just to what extent the political factor is frightening people away. Without doubt, foreign investors are somewhat confused by the present situation in the previously solid "Solidarity" camp, which is now beginning to fight among itself. Nevertheless, with regard to foreign capital, the two warring "Solidarity" factions have similar views.

We are trying to compare ourselves to other countries in East Europe and it does appear that the Hungarians are making a better job of it than we are.

[Aleksandrowicz] Why?

[Piotrowski] I think that since 1968 much more has changed in the Hungarian company, banking, and trade system. They have well developed and ongoing contacts with business worldwide and in general their credibility is higher. They also seem to be more flexible. To quote a very recent example, they were in a position to offer Ford a 10-year tax-free period. We could not.

[Aleksandrowicz] What other complaints do the foreign investor have?

[Piotrowski] There exists a great ambiguity as to who is actually responsible for what in Poland. As a rule, the foreign investor first meets the director of the Polish enterprise. Later, he learns that there exists something called the parent body, an obligatory dividend, and so on. He then sets off for the Ministry of Industry. There, he is told that he must first change the enterprise into a state treasury property company. This exists, but not in practice. There is, however, a plenipotentiary for ownership changes, but nobody seems to know what his exact powers are. He also learns that there is something called the Agency for Foreign Investment Matters, but the foreign businessman does not know whether he has to negotiate the terms of his contract with the agency, or with somebody else. Finally, he learns that the enterprise with which he would like to do business, does not actually own anything. It does not own its land, its buildings, and it is not even clear whether it owns the walls, or whether it is only a trustee. Suddenly, the head of the city district or township begins to take on a very important significance in the scheme of things and the investor is visiting various local offices and slowly the desire to do business begins to desert him.

[Aleksandrowicz] What about the problems of purchasing real estate?

[Piotrowski] The foreign partners complain about the complicated and drawn out procedure.

[Aleksandrowicz] What do you think of the Sejm's highly surprising decision prohibiting the sale of state or township real estate to foreign investors?

[Piotrowski] I would like to remind you that firms with foreign capital participation can acquire real estate which is in private, communal, or cooperative ownership. To acquire real estate requires permission of the Internal Ministry and this is issued after liaison with the appropriate ministry involved (property designated for industrial, trade, and agricultural aims), if the foreign partners directly or indirectly control at least 50 percent of the founding capital.

As for state-owned real estate, firms with foreign capital participation can only get this on the basis of perpetual usage (Internal Ministry approval is also required), or on leasehold.

Returning to the Sejm's resolution, I think that foreign investors would be more than satisfied, if they could quickly obtain the right to perpetual usage (with the possibility of owning the buildings on the land).

Personally, I would also be in favor of concessions enabling foreign firms to acquire land, but in strictly defined areas and for strictly defined production application. The creation of such industrial centers could play an important part in stimulating regions with economic structural problems (where chronic unemployment is a real threat). I would also add that on 31 July 1990 the Senate agreed with the principle of allowing foreigners to purchase land, contrary to the Sejm decision. We now have to wait for the final shape of the legislation.

[Aleksandrowicz] You mentioned tax-free periods in Hungary, but we are also offering such incentives.

[Piotrowski] Yes, on the one hand we grant such incentives to people for whom this incentive is not absolutely crucial (trade, services, or the infamous casinos), but, on the other hand, we are not offering sufficient incentives for direct, so-called green field investment [refers to companies which would come to Poland and start up their businesses from scratch].

There are another three issues involved. First, in Poland we are not familiar with the generally accepted bookkeeping and accounting standards. Second, the banks are complaining about the inability of transforming Polish debt into equity investment. Third, the impossibility of applying accelerated depreciation does not create any incentive to introduce technological progress.

[Aleksandrowicz] Changes in the law regulating foreign investment in Poland have been announced. What will they be?

[Piotrowski] Today, we can only talk in generalities, and it is not decided whether this will entail the introduction of a completely new law or whether it will be by amendment to the existing law and other related legislation.

It is also difficult to say how far we have gone along the road to a free market economy. In a developed market economy conditions for the home and the foreign investor ought to be the same. We want the same to happen in Poland, but it seems to me that for the time being we must be more flexible and ought to be more indulgent to foreign capital, especially the kind which builds up its presence from scratch. We should especially be interested in attracting companies that have a respected name and could use Poland as a base for their operations in East Europe.

[Aleksandrowicz] Can we expect that in the near future there will be total freedom to transfer profits? Apparently it already exists in Hungary.

[Piotrowski] The Hungarians seem to imply that it does. I think that in Poland we will soon have full transferability of profits subject to certain conditions that would protect our balance of payments. I cannot say any more at present.

[Aleksandrowicz] There are rumors that you are intending to abolish the requirement of obtaining permission.

[Piotrowski] This is only a suggestion, but I think that it deserves serious scrutiny, especially in those cases where the firm is 100 percent foreign owned, or where it is absolutely clear what the Polish partner owns. This would above all concern private firms. There would also be a special list of certain spheres where the creation of joint ventures would always require official permission.

[Aleksandrowicz] What other changes are intended?

[Piotrowski] Mainly things that we have already touched on. The right to accelerated depreciation. The possibility of regional incentives from local authorities in the case of green field investments and assistance for foreign investors to enter our market through the creation of partnerships and limited companies.

[Aleksandrowicz] Would this be associated with the relaxation of provisions on minimum capital investment?

[Piotrowski] I think that the $50,000 capital requirement could remain for undertakings that take the form of joint-stock companies or limited liability companies. Another option would be to provide minimum capital requirements in the trade code. To allow partnerships and limited companies to operate would solve the problem of attracting smaller foreign investors into Poland. On the other hand, they ought to have the possibility of investing through various funds (several initiatives are being prepared).

[Aleksandrowicz] When will all these amendments be introduced?

[Piotrowski] I think later this fall.

[Aleksandrowicz] How do you see the foreign investment situation in say three years?

[Piotrowski] I think it would be a great success if by that time some 10 percent of our industrial output was being generated by firms that had foreign capital participation. Last year this was still below 2 percent.

General Jarosz Views New Military Police

AU1208195190 Warsaw ZOLNIERZ RZECZYPOSPOLITEJ in Polish 7 Aug 90 pp 1, 2

[Interview with General Jerzy Jarosz, commander in chief of the Military Police, by Colonel Marek Zdziech; place and date not given: "Service in Scarlet Colors"]

[Text] [Zdziech] Mr. General, today we are making many changes to the Army, which conform to the spirit of the age and to the other changes to our state and society. These changes concern practically every single sphere of military life. We write a lot about them in our paper. It is no secret that steps have been taken to form a military police [zandarmeria wojskowa] as a specialized personnel corps of the Polish Army.

[Jarosz] That is right. After having considered the changes to our Army under the new sociopolitical conditions, as well as the process of restructuring the Armed Forces, the minister of national defense has ordered the appointment of a military police. Having already laid down its general scope, principles, and organization, we are now working on the details.

[Zdziech] Before I ask you for at least a morsel of truth, let me express a reservation which has occurred to me involuntarily. A military police is being created at a time when such a lot is being said and done about making military service more humane. Many people will identify this unit with sharp discipline, if not outright intimidation.

[Jarosz] That is a very abstract view. It distorts the real nature of this force. As to the reservation you have expressed, I must say there is no discrepancy between all the work that has been undertaken to make military service more humane and the tasks that face the military force that is being created. The only people who believe in such a discrepancy are those who think that certain relaxations in military life, e.g. a soldier's freedom to do what he likes with his free time and visit his family more often, and a less rigid atmosphere inside military premises, are a breach of military regulations.

I am deeply convinced that the military police, with tasks and an organization that match the modern needs of our Armed Forces, and availing itself of the most valuable experience of the Polish Army, will serve all soldiers well. I am sure it will strengthen military discipline, but without losing sight of the humanitarian trends, and build up the prestige of the Armed Forces among society.

[Zdziech] I admit that sounds convincing, Mr. General, especially because our society traditionally identifies a uniform with dedication to public affairs and a readiness to make sacrifices. Also, we have never propagated a "Good Soldier Svejk" image of a soldier. Even today, when it is fashionable to dress casually, civilians always view a young man in a smart uniform, smiling and cultured in every situation, better than a contemporary "Svejk."

So let us discuss the emergent military police in more detail. What will its tasks be?

[Jarosz] In a nutshell, its tasks can be divided into three areas. The first consists of discovering crime in the Armed Forces and finding the perpetrators. The second area involves counteracting all violations of military discipline by soldiers outside their units. The third area, no less important, consists of a broad range of preventive undertakings.

[Zdziech] What can you tell us about its organization?

[Jarosz] Its central body is a Main Command, under the authority of the chief of the Polish Army Main Administration of Combat Training. Beneath the Main Command are Regional Commands in the Warsaw, Pomeranian, and Silesian Military Districts. Further down we have six units in such garrisons as Krakow, Bydgoszcz, Szczecin, Wroclaw, Poznan, and Warsaw. In addtion, there are 18 units in cities like Gdansk, Gdynia, Katowice, Liblin, Lodz, Opole, Rzeszow, and Torun, plus several dozen cells all over the country.

It is also worth noting that a Military Police Training Center is being established on the premises of the old Internal Military Service Training Center in Minsk Mazowiecki.

[Zdziech] Can we find out who the commander in chief of the police will be, and who can serve in it?

[Jarosz] Perhaps I will start by saying that officers for leadership posts at district and unit level have already been appointed. I can tell you that these are young people whose average age is 34, and who have the necessary training and experience in this type of work. Suffice it to say that 90 percent of the officer corps have completed further education in law or teaching.

I have the honor, however, of being commander in chief of the military police, by decision of the minister of national defense.

As far as nonprofessional soldiers serving in the police are concerned, we already know for sure that these will be young men with specific psychological and physical values. Intelligence, a high standard of ethics, physical fitness, and a height of more than 180 centimeters will all be crucial.

[Zdziech] Our readers are bound to be interested in the uniform or equipment that will distinguish the police from other military branches.

[Jarosz] It is good that you mention ZOLNIERZ RZECZYPOSPOLITEJ readers, because while working intensively on designs for new uniforms and insignia, we cannot ignore broad public opinion. We would like our decisions to be based on broad consultations, so that they are acceptable to as many people as possible.

In this regard, we are also very much counting on our own newspaper. We want the traditions of the military police to be brought closer to people. On the other hand, we want to encourage opinions on how to use these traditions today.

[Zdziech] We, for our part, place our complete support in you, especially because we have very good experience in obtaining opinions from our readership on the subject of important military matters. However, the subject we are talking about is so interesting that it is bound to be taken up by the readers. So shall we discuss preliminary ideas?

[Jarosz] There are plenty of them. One of them foresees the introduction of square caps with a traditional red band around them, black belts, and black boots. However, military policemen performing traffic duties will have a white insignia, in accordance with international custom.

[Zdziech] So the first moves have been made. I am convinced the first opinions and proposals from our readers will soon reach us.

[Jarosz] We would be very pleased with that, especially because we do not have too much time. We would like the first military police patrols to appear before society in September and encounter society's approval.

Kozlowski, Herzog Meet in Warsaw 9 Aug

LD0908142590 Warsaw PAP in English 1252 GMT 9 Aug 90

[Text] Warsaw, Aug. 9—Minister of Internal Affairs Krzysztof Kozlowski, First Deputy Prosecutor General Aleksander Herzog and the Commandant-in-Chief of Police Leszek Lamparski met at the Ministry of Justice Today to discuss the current state of security and the protection of public order in the state as well as effective methods of preventing and combating crime.

Participants in the meeting spoke about the principles of cooperation between these services and ministries.

Krakow 'Alliance' Prospects Assessed

AU1308083090 Warsaw TYGODNIK POWSZECHNY in Polish 5 Aug 90 p 1

[Andrzej Romanowski commentary: "What Next for the 'Alliance'?"]

[Text] Following the events of the past few weeks and now that "Alliance for Democracy" has begun to assume a concrete program, it is worth considering what the 10 June Krakow initiative was and what it still is. It was formulated by a group of people who had gathered at the invitation of Jerzy Turowicz. The initiative did not have and did not not intend to have either a "strategy" or fixed organizational forms. The declaration adopted at the meeting read: "We wish to create an alliance in support for democracy, a citizens coalition that lends support to the present government's program, but a coalition that will not obscure the differences between individual political tendencies. This kind of alliance should create a federal structure that will guarantee the sovereignty of the groups of which it is composed." So, from the beginning, the Alliance was "programmatically without a program," and the signatories were solely united by respect for the democratic rules of public life and support for the rule-of-law, and, as a result, opposition to—what were deemed demagogic—slogans about "acceleration" and the rejection of "shortcuts." Once it was finally translated into political practice, this attitude led to an attempt to forge "stronger support" for Tadeusz Mazowiecki's government, which, it was maintained, bore the greatest burden in leading Poland out of communism.

Today, however, there are a lot of myths circulating about the idea of the "Alliance for Democracy." The charges of procrastination and "slowing things down" seem groundless: After all, the Alliance is seeking to bring about institutional changes of the most profound kind, and it is is only the imperative of efficacy that leads it to reject superficial ersatz actions (although they are no doubt appear impressive). The Alliance seems to understand (to travesty Stanislaw Stomma's idea) that the way back to capitalism can only be "strewn with thorns," and the absence of "radical slogans" from the program stems solely from concern about the unpredictable effects of causing social tensions to mount. Yet the Alliance never intended to be a "nonparty bloc" or any kind of party or super party. Finally—and this is perhaps of key importance—it did not want to be an instrument in a battle between personalities, and, in particular, to be a battering ram directed at Lech Walesa. It is really worth finally acknowledging that, by virtue of its very essence, the Alliance is neither anti- nor pro-Walesa, because no person—even if he had performed the greatest of services—represents a supreme value in its way of thinking. Only things that cannot be grasped by the human intellect can constitute that kind of supreme value for the Alliance.

So, the Alliance is—as I understand it—only a collection of several of the simplest truths, a few "thoughts that are not new." The signatories always stressed its open character and its future federative structure. This is also why it comes as no surprise that the Forum of the Democratic Right [FPD] and the Citizens Movement "Democratic Action" [ROAD] (the latter will—as one can already see today—no doubt become a basic element in the Alliance) should have been established. Other groupings have also announced that they will join the Alliance. A meeting in Krakow on 23 July even saw the establishment of a semiformal local coalition, to which, apart from the FPD and ROAD, the Democratic Club of Councillors and the "11 November" University Political Club acceded. It is clear that the Alliance will continue to be open to various programs and will recognize only two values of the highest order: the principles of democracy and the rule of law.

So, the idea that was aired on 10 June has turned out to be attractive, which does not mean that certain quite serious dangers have not already begun to appear on the horizon. Some tendencies have, for example, suggested (this was evident at the 23 July Krakow meeting) that the Alliance should now assume a quasi-party form. However, it surely is not possible to accept this kind of idea, because it would mean abandoning the trump card of diversity and coalition, which is the element possessing the greatest value for the Krakow initiative. Another threat—although its effects would be similar—may appear should ROAD, by virtue of its power of attraction, unintentionally overwhelm the remaining elements of the Alliance. So, it is already worth saying now that it lies in the public interest for the FPD to develop into a strong, independent party with a clearly defined identity: Its programmatic statements to date have been the first translation of the idea of the Alliance into the language of current political practice, and so it is worth hoping that moderate right-wing thinking should continue to be an important component of "Alliance" action. On the other hand, the development of a separate left wing is becoming increasingly essential: a broad spectrum of tendencies and positions that is united by values of the highest kind is still something exceptionally desirable in Poland.

However, if we reject the temptation of "centralism," the question that immediately arises is that of how the potential strength of the Alliance is to be transformed into action. As it is not meant to be a one-party dictatorship or a new "conciliation commission," it should work out a mechanism for efficient cooperation and rapid responses to a changing reality. It seems that the Alliance should advance a very general election platform (one that is a product of the programs of its individual components), as well as outline national and local structures that are as loose as possible. I am writing this with something of a heavy heart, because I realize that I am calling for something that is in a certain sense the institutionalization of an idea that until now derived its very strength from the absences of these elements. However, it seems to me that today this is the lesser evil compared to the possibility of having the Krakow initiative's program used as a means to an end. Dissipation or disintegration—a threat which the citizens movement faces—may shortly threaten the Alliance.

I hope that the next few weeks will provide an answer to the question of the direction in which the idea that Jerzy Turowicz aired on 10 June will evolve. However, irrespective of what the fate of the Alliance will be, it has already become a third important grouping on the Polish political scene—alongside the "radical" Center Accord (and the various groups that support it) and the fairly amorphous citizens committee movement, which is still standing at a crossroads. A definitive split in the "Solidarity" camp has, as we can see, become fact: In addition, it is deeper and more complicated than one could have foreseen. So, one has reason to regret that the ill-considered "acceleration" campaign has brought about this kind of disintegration. However, every cloud has a silver lining. Thanks to this disintegration, the Polish political landscape has finally assumed a clear form. There is no doubt that the very existence and public appeal of the Alliance have had a sobering effect on heightened feelings and have dispelled the specter of destabilization. The oppressive atmosphere in which we have been living for the past few weeks and months is finally beginning to clear.

October Presidential Election Scenario Assessed

AU1008113190 Warsaw RZECZPOSPOLITA in Polish 6 Aug 90 p 2

[Krzysztof Leski commentary: "Questions About the President"]

[Text] Ostensibly, there are four questions about the president: When should he be elected? How should he be elected? Who should be elected? What powers should he be vested with?

However, the last two questions are only a corollary of the answers to the first two questions: Today, it is still the case that hardly anyone talks about candidates and powers. The first two questions tend to become fused into one, because there are groupings that make the "how" dependent on the "when."

If the election of the president was to be held in two years time, it would be by direct universal suffrage; this is what all the political figures who matter today would ultimately want. The earlier the date proposed, the more proposals there are of a stop-gap kind (although the advocates of direct presidential elections remain a majority), and the more objections there are about it being too soon.

Jaruzelski must step down immediately and make it possible to elect a new president in October, maintains the Center Accord. The latest statement made by Zbigniew Bujak indicates that the Citizens Movement "Democratic Action" [ROAD] has adopted this call as its own in light of the force of circumstance.

However, the Center, backed on this point by the "Solidarity" Polish Peasant Party, views the situation in terms of the immediate acceleration of political changes, which are worth instituting by any effective means. ROAD, which wants to provide support to the government, is campaigning for a particular form, the election of a president by universal suffrage. The Center is clearly putting forward Walesa as a candidate, and ROAD would appear to be hinting at Mazowiecki as its candidate.

Jaruzelski does not want to go yet. Recently, he said quite clearly that he will not complete the six-year term of office, but wants to remain president until he sees the "crystallization of parties," parliamentary elections and a change of constitution. This might happen by 1992.

Jaruzelski is not alone in this. Public statements made in the last few days indicate that his timetable is directly supported by Kwasniewski's social democratic party, the Alliance of Working People, which is close to the National Trade Union Confederation, and, indirectly, by Bartoszcze's Polish Peasant Party, the Democratic Party, and the Fiszbach union.

These deputies broadly make up what a year ago, before Mazowiecki's government was formed, was called the old coalition. If the Center plus ROAD plus the "Solidarity" Polish Peasant Party equals "Solidarity," this suggests a clash between the old coalition and "Solidarity" over Jaruzelski.

The subject of the clash will be the September amendment to the Constitution and the scene will be the Sejm. The representatives of the "old coalition" have a majority in it. How will they behave?

The issue will be settled by tactics, not programs, which, without exception, say the same thing as the amendment: direct presidential elections. If the old coalition considers the amendment a plebiscite on "do you want a change of president?" the sorry fate of the amendment will have been sealed. A two-thirds majority is required for its adoption!

If Jaruzelski were not to go, that would be the end of the battle and a defeat for "Solidarity." However, this is surely something that the old coalition and the present president cannot permit themselves, being conscious of the hostile reaction that this would elicit from a significant section of public opinion.

If Jaruzelski withdraws or announces his resignation, the old coalition should vote for the lesser evil. Today, it surely prefers Mazowiecki's break with the past to Walesa anti-nomenklatura rhetoric?

It should, therefore, ostensibly reject the amendment in its present form so that the setting for the next round—the election of the president—is not a direct election, but the National Assembly (Sejm and Senate), where it would use its votes to elect Mazowiecki along with ROAD.

However, ROAD will not agree to that: It does not want a president elected by the "roundtable" assembly. Besides, in the second round, regardless of where it will take place, instead of "Solidarity," there will once again be the Center, ROAD, and the "Solidarity" Polish Peasant Party. There will also be no old coalition, because the last thing that could unite it, the Jaruzelski presidency, will be missing. The social democrats might prefer Mazowiecki to Walesa, but that would tend not to be the case with the deputies from the old United Peasant Party—most of whom today belong to Bartoszcze's Polish Peasant Party—because of the government's allegedly anti-peasant policies.

The Center has grounds for appearing to believe that Walesa probably stands a better chance in the assembly. ROAD is probably of a similar opinion, in campaigning for direct presidential elections with Mazowiecki in mind. So, in the first round, the old coalition, mindful of the propaganda advantages, should support the constitutional amendment.

This leads to the conclusion that if Jaruzelski withdraws, the amendment will obtain a substantial majority, and we will have national presidential elections in October.

New Walesa Spokesman on Background, Strategy

AU1108205690 Warsaw RZECZPOSPOLITA in Polish 7 Aug 90 p 2

[Interview with Dr. Andrzej Drzycimski, Lech Walesa's press spokesman, by Alicja Balinska; place and date not given: "I Am Not Concerned About Myself"; first paragraph is RZECZPOSPOLITA introduction]

[Text] Dr. Andrzej Drzycimski is not a new face to those who tried to establish contact with Lech Walesa during martial law. Working together with a team, Dr. Drzycimski prepared briefing material for the "Solidarity" chairman on his release from internment. He was active

in pastoral work with the arts community for the Dominican Fathers monastery in Gdansk, and helped organize many meetings with Lech Walesa, including meetings that took place after the "Solidarity" chairman had been awarded the Nobel Peace Prize. Some people recall A. Drzycimski stressing on numerous occasions at that time that the "Solidarity" chairman was operating in an official capacity, irrespective of the extent to which the union itself was functioning as an underground organization. I put the following questions to Lech Walesa's newly appointed press spokesman:

[Balinska] When did you meet Lech Walesa for the first time?

[Drzycimski] When the shipyard was on strike. I turned up there on 17 August 1980. I was gathering material for a newspaper article and I observed Lech Walesa in a variety of situations. Later, at the first official "Solidarity" headquarters, I acted as deputy for Lech Badkowski, who was press spokesman at the time, and organized some of the meetings with the press.

[Balinska] You were close to Lech Walesa then, but you tended to remain somewhat in the background. You accompanied him on his first trips to France, Italy, and Japan. However, you have became known, above all, as the chronicler of "Solidarity," a reputation that has been confirmed by the recently published book "Gdansk: August 80," which you wrote together with Tadeusz Skutnik, and which provides a record of the talks held at the Gdansk shipyard. Could you tell us a little about Lech Walesa's new strategy.....

[Drzycimski] It is a question of meeting new challenges boldly, without being too concerned about oneself. We are not going to join Europe by staying in the same place the whole time. Officially, however, it is only few days since I became spokesman. I feel some twinges of regret about my lost freedom. However, I would like to say that there will be complete openness in the information coming from here—openness about everything and for everyone, which also stems from the "free hand" that I have been given by the union chairman.

[Balinska] You won a lot of acclaim as the author of books on the pope's pilgrimages to Poland. What role do you give the pope in what we have experienced since August 1980?

[Drzycimski] The Holy Father gave us our first breath of air and uncovered the roots of our identity. The August strike at the Gdansk shipyard showed that one cannot change the world without changing oneself, which is something that is also present in the pope's teachings.

Wujec on Parliamentary, Presidential Elections

LD1208213990 Warsaw PAP in English 1943 GMT 12 Aug 90

[Text] Warsaw, Aug. 12—Cofounder and activist of Solidarity, Sejm Deputy Henryk Wujec from the Citizen's Parliamentary Club thinks that the processes of democracy will triumph in Poland despite difficulties on the road to this goal and that the pace of changes in Poland depends to a great extent on the goodwill of leading politicians.

In an intervew for PAP reporters, Deputy Wujec came out also for earlier presidential elections that, in his opinion, could be held at the end of this year. He thinks that parliamentary elections should be held in the spring of 1991, excerpts:

"Solidarity continues to be the most important political movement in Poland. However, as opposed to 1980, a division of functions and tasks has occurred in Solidarity of today.

"It seems that the return to the shape of August 1980 would be something bad. Also, Lech Walesa warns against this, against the return to the monopoly of one movement and one force. This would be a return to the former situation against which we fought. Various directions are a sound phenomenon and thus democracy is created," Wujec said.

"I think that people expect political changes and that they must take place. Perhaps, the first solution would be the election of president by entire soicety. We need a person that would symbolize the entire nation and the state, a person elected by this nation. The symbolical significance of this would be very great. This would clear also Poland's political situation," Wujec said.

"Persons who stand the greatest chance should undergo public test. It is the virtue of democracy that it can easily solve various disputes exactly by way of elections. Presidential elections could be held still this year, perhaps in November. I do not think that they should be linked with parliamentary elections. This would be unfavourable primarily for the latter. Future Sejm deputies and senators would then be elected not depending on their programmes or qualities but depending on their coming out for this or another presidential candidate, such an approach would be unfavourable for the shape of a future parliament. I think that these elections should be held in the spring of 1991," Wujec said in conclusion.

Gasoline Reserves, Supply Situation Reported

AU1008112790 Warsaw GAZETA WYBORCZA in Polish 8 Aug 90 p 2

["GM"-signed report: "There Will Be No Fuel Price Rises in August, Because Balcerowicz is On Holiday"]

[Text] There will be no price rises in August, stated Andrzej Galczynski, director of the Petroleum Industry Center [CPN]. We do not know what will happen in September as this will depend on the world market price for crude oil.

The Import-Export Center for Chemicals and Chemical Equipment [CIECH] has to purchase crude oil for our gasoline refineries in hard currency to cover the shortfall

of some 30 percent in Soviet supplies. That is the reason why CIECH wants to raise the wholesale price from 600,000 zlotys [Z] to Z750,000 a tonne, stated CIECH Director Stanislaw Lancucki.

The increase, which is bound to cause a gasoline price rise, must be approved by the Ministry of Finance. Jerzy Wajszczuk, deputy director of the turnover tax department told us that no decisions have been made, because Deputy Prime Minister Balcerowicz is currently away on holiday.

We were assured by the CPN director that in August and September there should be no problems with supplies of high-octane gasoline and diesel; however, there may be temporary shortages of low-octane gasoline. The CPN has learned its lesson from the shortage this spring and has accumulated 20-25 days of ethylene reserves (some 160,000 tonnes).

In July, CPN imported 56,000 tonnes of fuel from the West. The August plan provides for the supply of an additional 36,000 tonnes. July supplies of Soviet oil were according to plan and we received 14,000 tonnes of ethylene of 92 octane quality, and 84,000 tonnes of diesel fuel. For August, 13,000 tonnes of petroleum are to be supplied.

Director Galczynski confirmed that only 40-50 percent of gasoline sold by CPN came from Polish refineries. The rest is imported from the West through CPN's Warsaw office (30-40 percent), and its regional offices (20 percent).

The director of the Gdansk refinery told a GAZETA WYBORCZA reporter that reserves that had been accumulated or purchased before the Arab crisis would last for some two months. He also said that gasoline from the Gdansk refinery would be cheaper, if the CPN gasoline stations did not include excessive overheads.

The Gdansk refinery is setting up its own network of gasoline stations. It is hoped that three will be operational around Gdansk before the end of this year, and in the next four years it hopes to build some 37 new gasoline stations throughout Poland. It is also negotiating with U.S. companies on expanding the capacity of its plant. This is estimated to cost some $400 million.

GAZETA WYBORCZA Publishes Correction

AU1008130390 Warsaw GAZETA WYBORCZA in Polish 8 Aug 90 p 3

[Unattributed report: "Weeks, Not Week"]

[Text] A mistake crept into Adam Michnik's article: "What About the President?" (GAZETA WYBORCZA 6 August 1990, Number 181). The sentence: "Nevertheless, the presidential campaign has begun and everything indicates that next week will bring fundamental changes," has caused some consternation on the internal political scene.

Michnik wrote that the changes will emerge "in the coming weeks." The inadvertent change of the plural to the singular is our fault.

Government Decision on Sanctions Against Iraq

AU1008205290 Bucharest Domestic Service in Romanian 1900 GMT 10 Aug 90

[Unattributed report: "Government's Decision to Implement the UN Security Council Resolution on the Embargo Against Iraq"]

[Text] We present now the decision on the implementation by Romania of UN Security Council Resolution 661/1990.

The Romanian Government—taking note of the provisions of UN Security Council Resolution 661/1990 adopted on 6 August 1990, and in view of the obligation of UN member states to fulfill the UN Security Council resolutions in accordance with Chapter 7 of the UN Charter—decides:

Article 1. All state bodies and institutions and all individuals and legal entities carrying out economic and financial activities in Romania are forbidden:

a) to import to Romania goods or products originating from Iraq or Kuwait and exported from those countries after 6 August 1990.

b) to perform activities that may promote or aim at promoting the export or transit of any goods or products from Iraq or Kuwait, to make transactions with goods or products originating from Iraq or Kuwait and exported from those countries after 6 August 1990, and to transfer funds to Iraq and Kuwait for such activities or transactions.

c) to sell or deliver—from Romania, or by using vessels under Romanian flag, to any individual or legal entity from Iraq or Kuwait or any individual or legal entity engaged in trade activities in Iraq or Kuwait or emanating from those countries—goods and products, including weapons or other military equipment originating or not from Romanian territory, with the exception of deliveries for medical purposes and for other special humanitarian purposes, such as foodstuffs or various activities that promote or are designed to promote the delivery of such goods and products.

Article 2. It is forbidden to supply the Iraqi Government or any trade, industrial, or public services enterprise in Iraq of Kuwait with money or other financial or economic resources. Romanian citizens and any other persons present on Romanian territory are forbidden to take out of Romania or find other ways to provide funds or resources to the Iraqi Government or to any enterprise like the aforementioned ones; they are forbidden to pass monetary funds to individuals or legal entities from Iraq or Kuwait, with the exception of payments for exclusively medical or humanitarian purposes and of foodstuff deliveries for special humanitarian situations.

Article 3. The above provisions do not affect the payments made through Romanian banking institutions by the Iraqi Embassy in Bucharest for public services rendered and for other normal activities performed in accordance with the Vienna conventions concerning diplomatic and consular relations.

Article 4. The Ministry of Finance, the Ministry of Trade and Tourism, the Ministry of Resources and Industry, the Ministry of National Defense, and other state bodies—in accordance with their prerogatives—will take the necessary steps to implement the provisions of this decision.

Article 5. Any violation of the provisions of the current decision will entail fines and administrative or penal consequences for the guilty parties, as the case may be, in accordance with valid legal regulations.

The decision is signed by Prime Minister Petre Roman.

Iraqi Ambassador 'Invited' to Foreign Ministry

AU1008200890 Bucharest ROMPRES in English 1840 GMT 10 Aug 90

[Text] Bucharest ROMPRES, 10/8/1990—The Iraqi ambassador to Bucharest, Ibrahim Shuja' Sultan, was invited on 10 August to the Foreign Affairs Ministry where Constantin Ene, secretary of state at Romania's Foreign Ministry renewed the Romanian Government's request that the Romanian citizens who are in large numbers in Iraq as part of economic cooperation actions be given full protection and security by the Iraqi Government.

Ambassador Ibrahim Shuja' Sultan gave assurances that his country paid full attention to the guarantees for the security of Romanian citizens in Iraq. The ambassador also said that the Romanian party's request would be made known to the Iraqi authorities concerned.

Antigovernment Rally Held in Cluj 9 Aug

AU1008144890 Bucharest ROMPRES in English 0901 GMT 10 Aug 90

[Text] Bucharest ROMPRES, 10/8/1990—Thursday [9 August] afternoon, several hundreds of people gathered in the Liberty Square in Cluj- Napoca called by the local branches of the Christian and Democratic National Peasants' Party [NPCDP], the National Liberal Party, the Hungarian Democratic Union of Romania, the Social Democratic Party and other political groupings, to protest against the anti-democratic appointment of the local administration. Under police protection, the demonstrators walked along the main streets for the city. Along the way and in front of the county prefecture headquarters they chanted anticommunist and antigovernmental slogans asking that the prefect appointed by the government by virtue of a recently adopted law be changed. The law refers to the administration of counties and settlements until local elections are called according to another normative act to be adopted.

During the meeting in front of the sports hall the setting up was announced of the "Democratic Antitotalitarian Forum" as a unitary organism of the opposition and the proclamation of Cluj was read as a call on all local and national antitotalitarian groups and bodies. Doina Cornea, literary critic and historian Adrian Marino, who frequently contributes to NPCDP publications, and great Hungarian poet Sandor Kanyadi were elected honorary presidents of the forum.

In a communique released the same day in the morning the National Unity Party of the Romanians of Transylvania and the steering committee of the Cluj NSF [National Salvation Front—FSN] voiced their disagreement with such "destabilizing demonstrations that run counter to the country's interests" calling on the population of Cluj not to take part in the meeting.

A professor of the University of Cluj, an unsuccessful senatorial candidate, was the county administrator. Once the county bodies that corresponded to the former Provisional National Unity Council were dissolved by virtue of the aforementioned law the government opted for a prefect representing the National Salvation Front.

Police Remove Road Blocks Near Sapinta Village

AU1008170490 Bucharest ROMPRES in English 1555 GMT 10 Aug 90

[Text] Bucharest ROMPRES, 10/8/1990—Friday morning [10 August], order-keeping forces of Maramures removed road blocks on the national road No. 19 across Sapinta and restored traffic. The road had been blocked since 7 August damaging the Maramures County economy and harming individual rights.

The county prefecture will continue the dialogue with the villagers to bring the situation back to normal and ease tensions at Sapinta. Three commissions that were set up not long ago to investigate the case will resume their activity and carefully consider the villagers' claims. An appeal was made to reason, calm and understanding, especially from the opposition.

The case of Toader Stetca accused of gross insult was sent by the County Prosecutor's Office to the court at Sighetul Marmatiei.

Daily Hails Marian Munteanu's Release

AU1008151690 Bucharest DREPTATEA in Romanian 4 Aug 90 p 1

[B. Marian article: "Marian Munteanu Was Released"]

[Text] In this country, where common sense and legality are gained with difficulty after many interventions and long waiting, at the cost of much humiliation, and after being exposed to many tricks from those who administer public justice and liberty as if it were their private domain, well, in this country where the clock hands seem to have frozen at the 12th hour, a gleam of justice was done in the case of Marian Munteanu.

The man who should never have been arrested was released.

A bit late, it is true, but still it shows that our rulers today resemble the old regime of odious leaders with a slight difference. Ceausescu would have persisted in his blindness and would have taken the excess of oppression to its "end." Today's rulers, in the case of Marian Munteanu, halted just in time, realizing (!finally) that they had gone too far and exceeded the admissible (?) limit of patience and oppression. Better late than never.

If "too late" or "never" would have been fatal for today's rulers, let us examine the meaning of this "later," which was applied in the case of Marian Munteanu.

On the one hand, his delayed release, the delay in implementing the natural act that can cancel the arbitrary action taken at the middle of last June, is proof of the guilt of those who thought up and authorized this arrest. Marian was freed without any excuse or document. It is quite possible that some people might expect the whole world to be satisfied with this act; they might also hope that this whole arbitrary action will be forgotten or hushed up, as is the honorable habit of the FSN [National Salvation Front] party and state leadership.

However, this country and our leaders must become accustomed to the idea of justice; therefore we should not declare ourselves satisfied just with Marian Munteanu's release. There must be a "Marian Munteanu" trial, so that the whole country can hear why this boy was put in jail for so long. If he was detained without reason, then somebody should account for it and pay up for the moral and material damage caused.

On the other hand, the release of the president of the Students' League cannot remain the only such act. Where are the other political detainees? All those arrested between 13 and 15 June should be released and investigated while set free, particularly since the chief of state, the Prosecutor's Office, the police, and the whole government are held suspect by the Romanian nation, which has reason to consider them guilty of instigating violence and masterminding the odious events of last June.

Consequently, we are waiting for the explanations from our leading "organs" (I was almost going to call them "competent," too), for the presentation of the truly guilty ones, and for an authentic administration of justice.

If we accepted the hushing up of so many dubious aspects of what was called the "December revolution," if we accepted the hushing up of the actions to intimidate and terrorize the opposition parties, and if we accepted the hushing up of pseudo-interethnic conflicts in Tirgu Mures and many other conflicts, well, we should not accept the hushing up of last June's events in Bucharest.

We should no longer accept lies, excesses, and compromises! We should want only the truth, not just a part of it!

Munteanu To Keep 'Low Public Profile'

AU1008170090 Bucharest ROMPRES in English 1538 GMT 10 Aug 90

["The Students' League Will Avoid Provocations"—ROMPRES headline]

[Text] Bucharest ROMPRES, 10/8/1990—The Students' League and its convalescent president will keep a low public profile for some time in order to avoid provocations or biased interpretations, says a communique of the league published by the National Liberal Party's newspaper "VIITORUL."

Dated 2 August when Marian Munteanu, the league's president and honorary chairman of the National Students' Congress (elected in absentia while in prison) was set free, the communique notes with satisfaction that the taking over of his case by the Military Prosecutor's Office resulted in the restoration of the lawful criminal procedure.

The document re-asserts the students' resolve to fight for truth, liberty, democracy and non-violence, and to constructively support the effort for democratization.

A personality whose profile in the press has been highly controversial, Marian Munteanu, a student of the Faculty of Letters, was one of the leaders of the marathon demonstration in Bucharest's University Square and frequent speaker in "the first neocommunist-free zone." Beaten up by miners, according to his own statement, and maybe non-miners, in the morning of 14 June, he was admitted to the emergency hospital where he was arrested in the morning of 18 June on charges of instigation to violence and of direct participation in the 13 June events and transferred to the Jilava prison hospital. He was set free as a result of protest marches in Bucharest, Cluj-Napoca and Iasi, in the context of President Iliescu's appeal to the legislative, executive and judicial powers to defuse political tension in Romania.

In his statements to the press after his release, Marian Munteanu maintained he was not guilty.

Iliescu Interviewed on Relations With SFRY

LD1108112190 Belgrade TANJUG in English 0941 GMT 11 Aug 90

[Text] Belgrade, August 11 (TANJUG)—In an interview carried by the Belgrade daily BORBA today, Romanian president Ion Iliescu stresses his belief that the solution to the difficult economic legacy left behind by Romania's old regime lies in the affirmation of the fundamental principles of the market economy, and that the country's salvation should have priority with every Romanian citizen.

Iliescu goes on to say that this is why an appeal has been made for surmounting narrow party interests and joining forces in resolving the grave crisis, which necessitates an awakening of a spirit of work and discipline.

Iliescu, a key figure in the overthrow of the Ceausescu regime last December, believes that Romania will manage to attract more foreign capital by some of its new laws. He adds, however, that this also depends on improving political relations with the West. Iliescu believes that the opposition is not playing fair by the country, but is, rather, inciting hostility towards Romania, in an attempt to prevent the present government from rebuilding the crumbling economy and paving the way for future elections.

Since Demember 22 last, there have been four attempted coups under cover of street demonstrations, says Iliescu in his interview to BORBA. Some forces in the country, which are not bent on democracy and freedom, but rather on power at any cost, have, with external support, done everything to destabilize the new authority and the country as a whole, says Iliescu.

Iliescu believes that good prospects exist for developing Romanian-Yugoslav relations in all areas. Commenting on an offer, initiated in the province of Kosovo (which is part of the Yugoslav republic of Serbia), for Serbs living in Romania to come and settle here, Iliescu says this is a matter of personal inclination of each individual. We do not deny anyone's right to go wherever they want, but we do not encourage it, either, explains Iliescu.

Iliescu says that the Serbian minority in Romania has gone through a difficult period and emphasizes that the new authorities will assist the cultural and spiritual development of the Serbs in Romania.

Report on President Iliescu's TV 'Dialogue'

AU1108151690 Bucharest Domestic Service in Romanian 1725 GMT 10 Aug 90

["Excerpts" of President Ion Iliescu's "dialogue" with unidentified Romanian Television reporter, in Bucharest on 10 August; italicized passages are recorded]

[Text] [Announcer] Dear listeners, we now present excerpts from the dialogue conducted by Romania's President Mr. Ion Iliescu with an editor of Romanian television, a dialogue broadcast a short while ago.

The Romanian head of state discussed, in detail, certain political, economic, and social problems arising from viewers' letters received by the Romanian Television and from his direct contacts with the people. He first made a methodological statement by recalling the principle of the separation of power with the government and, in this respect, the distinct role played by the Presidency in the manifold relations among the legislative, executive, and judicial powers.

[Iliescu] *I want to say that we began a number of permanent contacts with representatives of the parties and political formations, with trade union, women, youth, and students organizations, and with representatives of several categories of intellectuals from the scientific, technical,*

and cultural life, with cultural and educational institutions, and with senators and deputies. Likewise, I have paid and I will continue to pay visits to various establishments and economic units throughout the country, so that we can talk with the simple citizens. We consider this to be a means to learn about the problems facing the people and the country, directly from the horse's mouth. For us, this is also a means to check our own thoughts and exchange views on various problems and their possible solutions. This helps us formulate our own opinions and stands and ensures that the current dialogue which the Presidency and the president must conduct with the government, the legislative power, and the judicial power is a substantial one, based on knowledge of realities and of the requirements of our society. This is how I see the role of the president, whose duties are actually stipulated by law. The president should, in a sense, be above actual current problems—some specific problems are solved by the executive power, as established by parliament—however, the president should be a factor in pooling all efforts to solve the major problems facing the country. Therefore, on the one hand, I do not feel isolated from life; I am quite familiar with many of the problems faced by our society, and I want to act as spokesman and representative of the interests of all citizens in the dialogue and cooperation with the country and the executive, legislative, and judicial powers.

[Announcer] In connection with the concept of democracy, the president laid emphasis on one of its basic components, namely the principle of the majority and the possibilities offered by the Romanian society for the unhampered expression of the most diverse opinions.

[Iliescu] *It is true that a mature and developed democracy implies a relatively high degree of political culture and democratic social practice. From this viewpoint, I believe that we have a gap in our social development, formation, and practice, on top of which come other difficulties caused by the situation of crisis permeating the Romanian society, not only on the economic plain, but in all areas. This is also reflected in a state of general nervousness and tension, in the noisy manifestation of differences of opinions, and in a certain aggressive intolerance often coming from violent minority groups, which, sometimes in the name of democracy, are ignoring its basic principle. That is to say they ignore the majority's options and violate and harm the majority's rights. In their own interest, they also try to impose their will through force and all kinds of pressure to the detriment and against the interests of the majority and society in general.*

Therefore, in this respect, one should take into consideration both sides of democracy, namely, the observance of the rights of the majority and the minority, and one should promote a spirit of tolerance, esteem, and mutual respect.

[Announcer] Concerning the national minorities, another issue tackled by Mr. Iliescu in the TV program, he said that, in certain Transylvanian counties, there are difficulties in the relations between Romanians and Hungarians, which are occasionally exacerbated by extremist elements. This proves the existence of strong preconceived ideas, which are sometimes used by certain groups interested in keeping alive these sources of tension, thus serving purposes alien to the country. Haste and intolerance only keep up the lack of mutual trust, President Iliescu said, and added:

[Iliescu] *In this respect, I would like to mention the fact that, at the end of this month, we will mark the 50th anniversary of the arbitrary act of the Vienna Dictate, which left a deep scar on the consciousness of this country, particularly among the Transylvanians. It is in the interest of us all not to play into the hands of those who want to use this opportunity to poison the relations between the citizens of our country, particularly in various areas in Transylvania.*

We should be guided, inspired, and animated by the best examples— in our long-standing common history—of coexistence and cooperation among the simple people in this country, who always found a common language to understand, respect, and help each other as well as by the bright figures of our progressive intellectuals, who worked for friendship among nationalities.

Since we are talking about these matters of inter-human relations in our society, one can say that the same thing applies to overall relations among citizens and to our political and social life in general. I think we have suffered enough. We already have enough hardships to overcome. There are still other hardships ahead of us, in this process of renewal, that is of implementing the economic reform, reviving the economic life, improving the people's standard of living, and renewing our intellectual and moral life.

We need an appropriate framework for pooling our efforts to overcome these difficulties. It is to nobody's benefit that we aggravate our current difficulties. We should find in ourselves the necessary strength to rise above temporary differences and search for our common interests so we can overcome these difficulties. We must take the country out of the crisis it now experiences—promoting the necessary changes for this—and achieve a framework of general understanding, of consensus, if you like, and of rapprochement, which is all the more necessary now to attain the aspirations of all our people and our entire society for a better life.

I thus make a general appeal to all of us for national conciliation, for the conciliation of us all, by obviously preserving the differences of opinions, views, and choices, while placing the common interests of our country's renewal above everything else.

[Announcer] Regarding the situation in the economy, the president said that it is going through a profound crisis generated both by the situation inherited from the dictatorship and by difficulties that have arisen of late, many of which are objective ones requiring further serious efforts to renew the overall economic life, with a view to increasing efficiency, while also ensuring the

social protection of all categories of citizens. He emphasized that the new legislative framework for the economic activity can only be capitalized on by promoting the greater involvement on the people and by ensuring faster productivity growth. He also said that the most complicated problems have appeared in the sphere of public supply, where deficiencies have led, among other things, to the emergence of an alarming parasitism, a phenomenon mentioned in a large number of letters.

[Iliescu] *We are witnessing the emergence of a whole category of parasitical elements who, in the name of the promotion of private initiative and privatization in the economy, are distorting the economic life and are carrying out illegal trade and black market activities, which indirectly lead to price increases for many products of general interest. In this respect, many people are displeased with the lack of efficiency of the state bodies, the government, and our public order bodies in combating profiteering.*

Therefore, the government has initiated a law, which was passed by the parliament and promulgated a few days ago, on combating illegal trade and black market activities. The provisions of this law qualify as illegal and illicit any trading of state products purloined from their normal circuit, from enterprises, and trade units, which are sold at higher prices. In connection with the resale of certain products, the law stipulates various limits. Thus, everything that exceeds 10 percent of the normal, state price of products represents illicit profits; if a certain amount of limited processing is done to the original product, the price should not be more than 20 percent higher than the initial price. The law stipulates very serious penalties for such purloining activities, as well as taxes of up to 95 percent on incomes deriving from illicit activities. Of course, this only applies to those cases that do not require the application of the Penal Code, which also stipulates various prison terms for those who appropriate or steal products from producer or wholesale enterprises.

This law has been released to the press, which will disseminate it to the public. It will be an instrument for direct action, which, I hope, will be welcomed by the citizens. I believe that the citizens should support the public order bodies in finding out and eradicating such phenomena.

These measures do not aim to intimidate or undermine private initiative. However, I would like to add that we do not view privatization as a goal in itself. We view privatization as a means to produce more and better products in a wider range, to better satisfy the requirements of the market and consumers. Likewise, we view privatization as a means to organize better and more diverse services, which can satisfy public requirements.

For some people, privatization is just a means to get rich fast, without work, without efforts, at the expense of the state and citizens.

[Announcer] Further, Romania's image abroad was mentioned.

[Iliescu] *I cannot answer this question without mentioning the fact that unfortunately some of us—both politicians or cultural figures, who sometimes are very pretentious—have made a profession out of denigrating our country abroad, thus playing into the hands of certain foreign interests and becoming associated with a hostile campaign—which is quite active lately—of some political circles and foreign press organs.*

As a matter of fact, it seems to me that lately the international public opinion has tried to figure out and clarify the lack of good faith, the bad will, and the conscious hostility, fed by the some circles abroad, who carry out such activities.

In contrast with such positions and activities carried out by some people, who indirectly damaged our international relations, I would like to mention the reasonable positions of some political figures, representatives of some opposition parties, both at home and abroad who, at some international meetings, made a clear delimitation between differences of opinions and natural contradictions that exist between the representatives of various groups or sectors of our society and the way in which we appear in the international arena. I can say that it is one thing to express points of view within political confrontations and within confrontations of ideas and it is completely different to present and defend national interests, which must be the joint platform of action of all citizens of our country. I believe that this is a reasonable and patriotic attitude and means to serve the national interests. All those who work against this spirit carry out an anti-national activity and do not serve the joint interest of the country.

[Announcer] Recalling the role of the president in the country's political life and the importance of dialogue with citizens, Mr. Ion Iliescu said:

[Iliescu] *We consider it our duty and I personally also feel that we should use these opportunities as links or channels of contact and rapprochement and ways to sense the reaction of our society. We are duty-bound to lend an ear to the voice and demands of citizens, to get closer to them, and to solve as many problems as we can, or at least clarify those problems which cannot be solved immediately and which will be solved through joint efforts. I believe that this spirit should govern all our bodies.*

Spokesman Chebeleu on Hungarian Statements

AU1108205790 Bucharest Domestic Service in Romanian 1630 GMT 11 Aug 90

[Interview with Foreign Ministry spokesman Traian Chebeleu, by Liviu Ciuma for the "Interview of the Evening" program; at the Ministry of Foreign Affairs in Bucharest on 11 August—recorded]

[Text] [Ciuma] Esteemed listeners, we are guests of Mr. Traian Chebeleu, Foreign Ministry spokesman.

Mr. Ambassador, we thank you for being present on this program and we would like to proceed to the reason for your presence here. Here is the first question that we would like to ask you. Certainly, you learned—just like probably many of our listeners—about the interview granted to Radio Free Europe by the foreign minister of the Republis of Hungary, which was broadcast on 8 August 1990.

What is your reaction to the statements made by Mr. Geza Jeszenszky?

[Chebeleu] The interview provokes a legitimate consternation and mainly a profound concern. Consternation over the arrogant superiority that certainly does not find any moral or material foundation in today's Hungary, and mostly over statements that insult Romania, the Romanian people, and their current government, which is a result of the first free and democratic elections in the postwar Romania and which enjoys the support of an overwhelming majority of the country's population.

The statements give way to concern because they are part of a series of stands taken lately by the highest officials in that neighboring country such as President Goncz and Prime Minister Antal, who have recently been joined by Foreign Minister Jeszenszky. These stands express objectives and political orientations, particularly in connection with Romania, which are in flagrant contradiction with the principles of interstate relations stated by the Helsinki Final Act, and which undermine the foundation of security and cooperation in Europe.

In addition to this, such a stand taken very often and presented to a most varied audience, is aimed at stimulating and maintaining an anti-Romanian psychoses, among both the Hungarian ethnics is Romania and the Hungarian public and mostly on a general European level.

[Ciuma] Please explain your statement about what you believe is arrogance in the statement of the Hungarian foreign minister?

[Chebeleu] First of all it is the fact that Mr. Jeszenszky set conditions for Romania so that Hungary can condescend to have neighborly and even friendly relations with Romania, as he states. What conditions? The first, the Romanian Government—I quote—should admit the fact that Romania is a multinational state—I end the quote—that is, to admit something that does not correspond to reality but which probably serve the objectives of a revisionist nature, which is the aim of the current foreign policy of Hungary regarding Romania, objectives which are evidently unacceptable in the context of the current European reforms.

If we admit that a country which has on its territory two national minorities is a multinational state—as Mr. Jeszenszky claims—we could then declare all European countries, including Hungary, multinational states.

Here we talk about something else. Romania, as a multinational state—according to his slogan—is an old Stalinist concept which was imposed for a short period on the former Romanian Communist Party during the interwar period, while applying Stalin's policy to suppress nations through hate mongering, and which, because of its absurdity, could be imposed only for a very short period, even on the fierce Stalinists during that time.

It seems that the current Hungarian foreign policy, as far as its national issues are concerned, is not able to get rid of the concepts and initiatives practiced in the Stalinist period of a sad memory.

Then, at a certain point, Mr. Jeszenszky says, in a general context that —I quote again—certain conditions should be fulfilled—I end quote—so that Hungary should be able to give Romania—I quote again—a helping hand [unquote], which, as a matter of fact, nobody requested. At the insistence of the journalist to specify these conditions, Mr. Jeszenszky mentioned as an example the idea that Romania should—I quote—answer positively [unquote] to the proposals made by the Hungarian side to the Romanian authorities, to—I quote again—in connection with certain cultural issues—I end quote—which he did not specify. In the real political language it means to accept Budapest's orders regarding certain cultural issues.

Closely connected with this issue is the lie according to which—I quote again—Romania does not recognize the educational needs of the Hungarian minorities, especially as far as the reopening of the Hungarian Language University is concerned, as well as other instructional issues—I end quote.

Mr. Jeszenszky deliberately ignores the significant measures adopted in Romania after the 1989 December revolution to develop education in the Hungarian language, measures which were presented to the domestic and international public on various occasions, including at the CSCE meeting on the human rights held in Copenhagen. The entire school network has been revised in Romania and on the basis of the proposals made by the general county inspectorates and in accordance with the parents' wishes, separate schools have been created, in which the entire education is carried out in the Hungarian language. I can recall among these schools the "Ady Endre" High School in Oradea, "Kolcsey Ferencz" High School in Satu Mare, the Mathematics and Physics High School in Cluj, the "Bartok Bela" high school in Timisoara and others in Odorheiu Secuiesc, Miercurea Ciuc, and even in Bucharest and mention the fact that during the 1989-1990 academic year more than 180 courses at all levels, have had courses in Hungarian language.

There were general instructional inspectors or deputy instructional inspectors appointed from among the Hungarian ethnics in all counties where there a significant amount of instruction in Hungarian. All these facts are

ignored and attempts are made to impose unacceptable and unreasonable measures on Romania, measures which are not accepted in any European country, such as the measure regarding the opening of a University in the Hungarian Language. Such an experiment was once imposed on Romania during the Stalinist period but it failed because it did not correspond with any real need of our country and did not have any real basis.

I have the impression that Mr. Jeszenszky is very poorly informed about the European standard as far as the educational measures for minorities are concerned, measures which are included in CSCE documents. A simple reading of these documents shows that the measures adopted in Romania in the field of education for the Romanian citizens who belong to minorities go much further than the standards generally accepted by the CSCE.

I would only like to note that in the discussions during the Copenhagen meeting, that I have already mentioned, in connection with these issues, the representatives of certain countries with a democratic tradition, such as the United States, France, and the FRG clearly showed that it is inconceivable to ask a country to create and finance schools in a language other than the official language of the respective country. This is the generally accepted standard by the CSCE and not the one that Mr. Jeszenszky wants to impose on Romania.

We must note that it seems that when approaching the issues of relations with Romania, the Hungarian leaders totally ignore the international rules. Setting conditions to accords is certainly unacceptable between two free, sovereign, and equal states. Relations of cooperation, esteem, and mutual understanding throughout history could not have been built and still cannot be built through conditions and dictates.

[Ciuma] You mentioned that in the interview we are currently discussing, there were statements that offended our country and the Romanian people and government. What statements did you refer to, Mr. Ambassador Traian Chebeleu?

[Chebeleu] In Mr.Jeszenszky's eyes, Romania is—I quote—an uncivilized country. [unqoute] Because what else can we understand from the statement that the ethnic minorities have fundamental and legitimate needs which should be observed and that—I quote—in all civilized European countries these needs are fulfilled, [unqoute] and the same thing should happen in Romania as well. I still want to come back to the nature of this statement, however, for the time being I mention the insults. In Mr. Jeszenszky's eyes the Romanians are obtuse. Therefore, he says, we would like to encourage the Romanians to be less obtuse. I cannot find words in the diplomatic vocabulary to qualify such despisement of a whole nation.

[Ciuma] I believe that you have very many things to say Mr. Ambassador Traian Chebeleu, Romanian Foreign Ministry spokesman, concerning concrete issues included in the interview of the Hungarian Foreign Minister, which we mentioned at the beginning of our talks. I am referring to the issues of consulates, schoolbooks, and other issues. What do you propose.

[Chebeleu] Indeed, commenting on these issues would require much more radio time, so I propose that we should return to these issues in a future program, and inform the Romanian people correctly about the position of the Romanian Government.

[Ciuma] We will do that, and until then, we thank you and we expect you again as a guest of our program.

Regret Over Hungarian TV Decision Expressed

AU1008182290 Bucharest ROMPRES in English 1746 GMT 10 Aug 90

["Diplomatic Diary: Hungarian Television Does Not Broadcast Interview With Romulus Neagu"—ROMPRES headline]

[Text] Bucharest ROMPRES, 10/8/1990—Romania's embassy in Budapest was told by the editors of the Hungarian television's "Panorama" programme that they had decided not to broadcast the interview given to one of its editors by Romulus Neagu, secretary of state at Romania's Ministry of Foreign Affairs and a cabinet member, while he visited the Republic of Hungary for consultations with the Hungarian Ministry of Foreign Affairs. The decision was made notwithstanding the fact that the "Panorama" programme editors had pledged in writing to broadcast the interview in full.

The Romanian Ministry of Foreign Affairs regrets the decision of the "Panorama" programme editors. In that way, the Hungarian public opinion is once again denied the possibility to know from source Romania's view of the Romanian-Hungarian relations and of several highly topical international political and diplomatic issues.

Governmental Inquiry Commission Visits Harghita

AU1008144190 Bucharest ROMPRES in English 0841 GMT 10 Aug 90

["Harghita: Tension Persists"—ROMPRES headline]

[Text] Bucharest ROMPRES, 10/8/1990—The subcommission of the parliamentary commission inquiring into the 13-15 June events went to Harghita County over 22 July-1 August.

The sub-commission, made up of deputies representing the National Salvation Front,, the Agrarian Democratic Party, the National Unity Party of the Romanians of Transylvania and the Hungarian Democratic Union of Romania inquired into the events occurred in Miercurea Ciuc on 13 June when the city police headquarters were stormed.

Noting a high inter-ethnic tension in the county, which generated the 13 June event as well, the sub-commission

extended its inquiries analysing the causes of this phenomenon and the conditions that favour it.

A communique of the commission released in Bucharest on Thursday [9 August] evening specifies that the report and conclusions of the sub- commission will be finalized by the time the parliament resumes its works.

More Private Enterprise Licenses Issued

AU1008143990 Bucharest ROMPRES in English 0917 GMT 10 Aug 90

[Text] Bucharest ROMPRES, 10/8/1990—Over 47,000 licences have been issued in the five months elapsed since the coming into force of the decree-law No. 54/1990 regarding the organization and unfolding of economic activities on the basis of free initiative in Romania. They allow for the operation of various private units. About 94 per cent of them are located in the urban area and some six per cent in the rural area. Most of the licences refer to services—78 per cent. Of them the largest share is held by public catering, home and international tourism, trade, and consulting. About 22 per cent are productive activities, especially in food industry, textile garments, knitwear, metal fittings, plastics processing, chemicals and wood-working.

Most of these private units operate in Bucharest.

Romanian-Armenian Association Established

AU1008152790 Bucharest ROMPRES in English 1019 GMT 10 Aug 90

[Text] Bucharest ROMPRES, 10/9/1990—The Romania-Armenia Association (ARA) was set up in Bucharest on Thursday [9 August] pursuing the cultivation and encouragement of contacts between Romania and Armenia of various planes. The statute of the association was read during the foundation meeting which specifies that this organization is non-governmental, committed to no ideology or political group and that it will work for a climate propitious to a better mutual knowledge between the Romanian and Armenian peoples. The association will promote cooperative relations on a social, economic and spiritual plane in keeping with long-standing coexistence and lasting friendship.

The association will initiate various forms of cooperation with similar associations at home and abroad, with associations and institutions in Armenia in the first place.

Brucan on Need for 'Constructive Discussion'

AU1008170690 Bucharest ROMPRES in English 1451 GMT 10 Aug 90

["Silviu Brucan: In the Absence of Cooperation, the Reform Is a Fatal Chimera"—ROMPRES headline]

[Text] Bucharest ROMPRES, 10/8/1990—"The time has come for the president or the prime minister to break the closed circle of political sectarianism and invite to a constructive discussion" the leaders of the political parties represented in parliament to support the "obviously national cause" of overcoming "Romania's present status which is that of a country that is not included in the community's programmes for Eastern Europe."

This is the conclusion of political scientist Silviu Brucan after having discussed the matter with the leaders of the opposition and with Western ambassadors.

Telling it to the independent "ADEVARUL" daily, Silviu Brucan warns that "in the absence of cooperation with Western governments and companies, the Romanian economic modernization and reform programme is a dangerous and fatal chimera." In light of the EEC foreign ministerial meeting in September when the Romanian case is taken up again, Mr. Brucan is of the opinion that political acts initiated by Bucharest to overcome Romania's present status is a "top priority": "All political leaders in power or in the opposition should know that the Romanian people will not forgive them for having been unable to rise above partisan interests."

Silviu Brucan praises the leader of the National Liberal Party, Radu Campeanu, vice-president of the Senate, "who knows that this is a national cause," the ex-presidential National Peasant Party candidate Ion Ratiu whose "pragmatism tells him it's time to invest also in a profitable business" and advises his "friend" Geza Domokos, the Hungarian Democratic Union's Leader, who "fights so energetically for the rights of the Hungarian minority" "to do something also for the future of this country where the nationality he represents lives."

In his interview published by "ADEVARUL" in its Friday issue Silviu Brucan also offers suggestions for privatization and the creation of an independent television station.

Silviu Brucan resigned his vice-presidency of the Romanian Radio Television shortly after Ceausescu came to power to concentrate on teaching. A well-known dissident in the ousted dictator's last years, co-author of the famed "letter of the six" among other things, Silviu Brucan was a leading member of the National Salvation Front and was regarded by many as the ideologist of the first post-revolutionary provisional government. Mr. Brucan who left the Front for age reasons has travelled widely and gave many interviews for the foreign and Romanian press. It was in one of them that he praised not long ago the prime minister's technocrat team but denounced the "sycophants" around the president.

Culture Minister Views AZI, Political Parties

AU1008173090 Bucharest ROMPRES in English 1435 GMT 10 Aug 90

[Text] Bucharest ROMPRES, 10/8/1990—Andrei Plesu, the minister of culture is the first contributor to a new column of the National Salvation Front newspaper

"AZI" open to intellectuals as a first step to clear up the bias that the newspaper would be in favour of an anti-intellectualistic policy.

The known philosopher and writer boldly attacks "AZI" itself. "I cannot contribute to AZI," he writes, "since its language and strategy go much further than those of the former SCINTEIA." The author adds that, in fact "he can contribute to absolutely no paper without compromising with his beliefs."

Andrei Plesu is of the opinion that all newspapers have done their best to undermine all reputations and within a few months have succeeded in undermining the concept of value itself. "The only criteria that work seem to be the political ones. Unfortunately, it is politics and only politics that is called to decide on all judgments, just like in the worst Marxism-Leninism periods. Nuances, above-politics values seem to have no longer any meaning. And that is not a trifle at all. In the long run such a situation will lead to spiritual poisoning, hard to reverse. A nation cannot live without values of relevance unrelated to time. How could Eugene Ionesco' reputation be affected by his being reproved in "AZI"? But Romania's culture can be the loser if it keeps such scholars aside. Anyhow when you insult first-class intellectuals you must be a name yourself. Be someone. Otherwise you are just rude, and that's all" writes Andrei Plesu.

As we can see, inexperienced intellectuals, points out Andrei Plesu, do not participate in discussions, do not contradict their opponents by solutions, only "unmask," "blame," "reject." All parties behave like this, the group for social dialogue, initiated after the revolution as a "non-political reflection group" that has failed because it puts too much emphasis on politics, and the newspapers of the ruling political organization, that rush to cry out accusations of bad intentions. For criticizing someone, one should be if not better at least as good as the person criticized. "We should give up commenting on a critical opinion in terms of political guilt, which is an extremely bad habit," says Andrei Plesu.

In the end the minister of culture refers to the present period as to a "bout of fever of a tired people who had been subject to spiritual trauma and is not yet accustomed to breathing the fresh air of liberty" but who will find again its calmness, "balance, good humour and good will."

Personnel in Gulf Said 'Safe'; Firms 'Concerned'

LD1008175390 Belgrade TANJUG in English 1612 GMT 10 Aug 90

[Text] Belgrade, 10 Aug 10 (TANJUG)—All Yugoslavs working in Iraq and Kuwait are safe, a Yugoslav Foreign Affairs secretariat spokesman said today, quoting the latest reports from Yugoslav diplomatic missions in Baghdad and Kuwait.

The airports in Baghdad and Kuwait are still closed to commercial flights, preventing anyone from leaving the country by air.

The Iraqi annexation of Kuwait still concerns numerous Yugoslav firms doing business in the two countries because of payments. Srajevo's Hidrogradnja said that it had not bene paid narly 12 million dollars it was owed since December.

Union Invest in also concerned over its earnings because it is being paid in crude oil.

The collapse of Kuwait's market will seriously affect Croatia's market since orders from Kuwait were large, minister of the republican government Dragan Kalodjera said today. Belgrade's Energoprojeckt said it would carry on with the works it has started in Iraq, but its workers who wish to return to Yugoslavia will be enabled to do so as soon as possible.

First Evacuation Scheduled

LD1208145890 Belgrade TANJUG in English 1403 GMT 12 Aug 90

[Text] Belgrade, 12 Aug (TANJUG)—The Yugoslav Foreign Affairs Secretariat today said that Yugoslav citizens in Iraq, mostly women and children who want to return to the country, will leave for the Jordanian capital in three buses tonight. Efforts are being made that a group of Yugoslavs from Kuwati join them. From Amman, the Yugoslav airlines JAT will fly them to Belgrade tomorrow night since the airport in Amman is the only airport open in the region.

Under a special agreement with the Jordanian Government, these citizens will not need visas to enter the country. It has also been agreed that JAT daily transfer Yugoslav citizens from Iraq and Kuwait, who will be arriving to Amman, to Yugoslavia.

Measures have also been taken to secure extra reception centers and control points in some other countries in the region, in order to airlift Yugoslavs back home.

Authorized organs of the federation and a special group in the Foreign Affairs Secretariat are working on securing conditions and coordinating all activities to enable a speedy return to the country of all Yugoslavs in Iraq and Kuwait who want to go home.

150 Citizens Reportedly Reach Jordan

LD1308100990 Belgrade TANJUG in English 0930 GMT 13 Aug 90

[Text] Baghdad, 13 Aug (TANJUG)—A group of 150 Yugoslavs, mainly women and children, left Baghdad for Jordan this morning and are expected to leave Amman by special plane for Belgrade today.

An Iraqi presidential decree allowed all foreigners and Arabs to leave Kuwait for Baghdad today.

Air traffic has not resumed yet and road traffic is underway only towards Jordan with special permits.

Boycott Adversely Affecting Economy

LD1108104290 Belgrade TANJUG Domestic Service in Serbo-Croatian 0149 GMT 11 Aug 90

[Text] Belgrade, 11 Aug (TANJUG)—The international economic boycott of Iraq, voted by the UN resolution, is putting Yugoslavia in an economically unique and relatively most unfavorable position in comprison with other countries, stated Dr. Bozidar Jovanovic, deputy federal secretary for foreign economic relations, in an interview with a TANJUG journalist, pointing to consequences for Yugoslav-Iraqi economic relations arising from this act.

Without calling into question, even for a single moment, the justification of the sanctions and their political significance, Jovanovic stated that the world should know that Yugoslavia currently has its "stake" in numerous Iraqi building sites, amounting to business at $1 billion. Yugoslavia has 10,000 workers there, while 50,000 people work in Yugoslavia for the Iraqi market. The practice was that food for Yugoslavia workers was sent from Yugoslavia.

Under such circumstances, the Federal Executive Council has formed an interdepartmental body that should urgently seek solutions and secure the protection of our workers, as well as of our overall economic interests in Iraq and Kuwait, Jovanovic stressed.

The sanctions against Iraq will economically exhaust the country; so, for quite some time it will not be an economically capable partner as far as the previous volume of business and trade with our country is concerned. This means that Yugoslavia will be able neither to complete virtually finished projects nor to collect money for them.

Explaining the complexity of these negative consequences for Yugoslavia because of the boycott of Iraq, Bozidar Jovanovic recalled that our contract on Iraqi payment of our claims by oil was brought into question, according to which $413 million should have been collected this year. So far, oil to the value of only $171 million has been received, and it is already certain that we will not collect the remaining $242 million.

This is a much more serious loss than that which many countries will incur by buying more expensive oil on free markets, which Yugoslavia also is going to do.

Iraq is one of Yugoslavia's longtime suppliers of oil. Iraq should have delivered 3.2 million tons of oil this year, but only 1.32 million tons have been received so far, said Dr. Bozidar Jovanovic, deputy federal secretary for foreign economic relations. Jovanovic concluded that the uniform obligation arising from the UN resolution caused completely different economic consequences (and burden) for certain countries, among which Yugoslavia is comparitively affected hardest.

Croats View Possible Consequences

AU1008202890 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 8 Aug 90

[Text] Croatia holds stocks of oil to last until the end of this month. The energy ministry has sent a letter to the federal prime minister demanding reexports of oil from the Soviet Union, imports of oil from the world market, and an increase in the price of oil products. Vesna Knezevic reports from the session of the Croatian Republican Government:

[Knezevic] As a direct consequence of the Iraqi-Kuwaiti conflict, the energy ministry says, crude oil price should increase by about 64 percent. What is requested of the federal government is not money, but its agreement and action. In the opposite case, urgent measures by the republican government are expected, increasing the prices of oil products.

The consequences of the international conflict do not stop here. At the Djuro Djakovic combine, $350 million lie frozen: this is a shipment of 200 tanks for Kuwait.

While other department ministers were reporting, Zdravko Mrsic, republican minister of foreign affairs, was the only one who did not speak. The newspapers here already publish commentaries calling to account Budimir Loncar, federal minister of foreign affairs, as well as his republican colleague Mrsic because of the insufficiently specific response to the Iraqi aggression against Kuwait.

From the three-hour session, we further single out the following: A procedure has been initiated in the Constitutional Court of Croatia to examine the constitutionality of the decision to set up a Serbian community of communes, and the announced referendum on Serbian autonomy in Croatia. It was reiterated that the Croatian authorities were determined to oppose, with all legal means at their disposal, the holding of the referendum banned by the justice ministry.

Mladen Ramljak, vice premier, referred to yesterday's talks held with representatives of the six communes where the Serbian population is in a majority, and pointed out that links exist between the local authorities and the organizers of the referendum, but in the legal sense these are not clearly discernible. With the state of material evidence at present, one can talk about the organizer of the referendum who is half public and half secret, partly in Croatia and partly outside Croatia.

Kosovars To Boycott New Serbian Constitution

AU1208131190 Pristina RILINDJA in Albanian 4 Aug 90 p 5

[Behxhet Haliti report: "We Will Boycott the New Serbian Constitution"]

[Text] At the start of yesterday's news conference held by the Kosovo Democratic Alliance [KDA] on the premises of the Kosovo Writers Association, Dr. Ibrahim Rugova, president, repeated demands that the Kosovo Assembly and Executive Council should start work as soon as possible; that the effective work of the Kosovo parliament and government should be made possible until free elections are held; that the police occupation of Pristina Radio and Television should end; and that the usurpation of the Pristina Television channel by Belgrade Television's Third Channel and of the channel formerly carrying Superchannel by a television station from Turkey should also end. Ibrahim Rugova said that we will inform Turkish Television that their programs are being misused on the territory of Kosovo. We will also ask television subscribers not to pay their license fees from 5 July until the police occupation of Pristina Television is lifted.

Commenting on the communique of the SFRY Presidency's Information Office, which accuses RILINDJA of allegedly reporting that the SFRY Presidency has not spoken with the Kosovo Presidency in connection with a possible reshaping of Yugoslavia, Dr. Ibrahim Rugova said that the communique is inaccurate and untrue, and that the SFRY Presidency is behaving in a two-faced way. On one hand, it acquiesces in the suspension of Kosovo's autonomy, and on the other hand it states that talks have been conducted with the Kosovo Presidency, while we know that the suspension of the Kosovo Assembly has also involved the suspension of its Presidency.

We also reject, Rugova said, the insinuations of the Belgrade press that the Alternative is allegedly paying Albanian militiamen to desert their posts. He said that the Albanian people are expressing their solidarity with all those dismissed from work, and will help them materially until their problems are solved. He then demanded that the Kosovo Provincial Secretariat for Internal Affairs be reconstituted and that the maltreatment of Albanians by the Serbian militia end at once. He mentioned many incidents reported in the press and provocations at weddings. [sentence as published] Dr. Ibrahim Rugova said that we also demand that the militia be removed from working collectives and cease pressuring Albanian workers. He went on to comment on a Belgrade Television report, stating that pensioners in Serbia will receive pensions this month from the funds allotted to underdeveloped regions and Kosovo. Now the facts have come to light about where these funds

have gone and how the funds allotted for Kosovo's development are being used.

The demand was repeated at this news conference that the buildings of social and political organizations should be made available to political parties, now that the former are practically defunct.

Dr. Ibrahim Rugova also repeated his appeal, and that of the KDA, that the Albanian people should continue to show patience and calm, because a very effective struggle can now be waged by political means. He concluded his comments by reacting to the Belgrade press and BORBA, which has used Bolshevik phraseology to attack the KDA news conferences and has called them anti-Serbian. We, he said, will be against everybody who is against democracy and who wishes to solve the problem of Kosovo with the use of violence.

Dr. Fehmi Agani [KDA Presidium Member] then distributed a KDA communique to journalists which stated that the Serbian Assembly approved the draft of the new Constitution and prepared it for public debate during the summer vacation month. The Albanian people of Kosovo and many others will treat this public debate in exactly the same way as they did the referendum, by boycotting it completely, in a dignified manner.

The debate on the new Serbian Constitution will be boycotted, the communique continues, not only because of the approval of the Constitutional Declaration of 2 July and the widespread support this has received, but because of the negative and restrictive essence of the Constitution's definitions of the nationalities in the provinces. The draft of the new Constitution utterly confirms our earlier view that we are dealing with a constitution providing for the final absorption of the provinces into the framework of Serbia and the total elimination in practice of autonomy. It offers an illusion of territorial autonomy, divides peoples into those who are sovereign and those who are not, legalizes discrimination against Albanians, removes the provinces' representation at a federal level, etc.

It is not true, the communique continues, that the Constitution does not talk about democratization; there is indeed an excess of such talk, but the harsh political and police reality in Kosovo makes a lie of this projected democratic idyll. The fact that the draft of the new Serbian Constitution is being imposed by the same party—the Serbian Socialist Party—that imposed this police regime under a state of emergency compels such a comparison. How bogus the exaggerated trumpeting of human rights and freedoms sounds when compared with their massive and brutal violation in Kosovo, or the guarantee of the "freedom of the press and other forms of public information" when compared the elimination of the basic rights of millions of Albanians to such information through the radio and television!

The Albanian people of Kosovo will behave toward the Serbian Socialist Party, which is imposing the draft of the new constitution and eliminating every kind of autonomy, in just the same way as it will behave toward the draft of the new constitution. From the start, the Serbian Socialist Party, with its arbitrary imposition of the new constitution before free elections and to the detriment of the opposition, has behaved improperly and arrogantly. This party has symbolically shown its attitude to and relationship with the Albanians by appointing to its leading council people like Rrahman Morina, Halit Ternavci, Tefik Llugiqi, and Mehmet Ajeti, and only them! The statement of its vice president Mihailo Markovic to NIN [Weekly Information Gazette], which stresses that the separatists who wish their own republic have now lost their assembly and government, and that this "will help to accelerate the approval of the constitution and the holding of free elections in Serbia" (!), shows clearly that this is a party not of principles but of dissimulation and deception—a party of faits accomplis, the KDA communique states.

Asked whether the KDA will register under the federal law on political parties, Ibrahim Rugova said that we in the KDA are preparing the necessary documentation and will undoubtedly apply for registration under the federal law on political parties before the end of August. We have the right to register as a federal party because we have branches in Ljubljana and Zagreb, and members throughout the country.

Another question concerned Rugova's views on recent events in Montenegro. Rugova said that even there forces leading to the further democratization of Montenegro and a greater awareness of the identity of the Montenegrin people will win.

In reply to the question of how he viewed the resignations of Albanian militiamen who did not wish to accept the decisions of the Republican Secretariat for Internal Affairs and who unanimously supported the Constitutional Declaration of 2 July, Dr. Ibrahim Rugova said that they are people who wish to preserve their national identity and to serve the people in the name of the people. He went on to say that it is natural for them to reject the decisions of the Republican Secretariat for Internal Affairs, because they will be dispersed the next day on duties throughout the country, and this conflicts with the nature of their work and their personal morality. At the end of yesterday's news conference, Dr. Ibrahim Rugova also replied to the question of how he would comment on the statements of Markovic and Kambovski that the Kosovo Assembly should begin work, but according to its composition before 2 July. He said that the Constitutional Declaration is a long-term document and cannot be thrown away. Markovic apparently wants a compromise again, but this time a compromise with no partners. Democracy favors compromises, he said, but compromises among two, three, or four partners.

Kosovo Miners Protest 'Maltreatment' by Militia

AU1008125790 Pristina RILINDJA in Albanian 6 Aug 90 p 2

[Unattributed report: "Open Letter to Federal Secretary for Internal Affairs Petar Gracanin, and Radmilo Bogdanovic, Serbian Republican Secretary for Internal Affairs: You Bear Responsibility for the Maltreatment"]

[Text] We miners of Stari Trg are writing to inform you of things you should know and, no doubt, do know. However, we inform and remind you once again that the members of your service are playing filthy games.

For almost 10 years, not counting the pre-Brioni period [before 1966], we have been subjected to foul persecutions and reprisals unknown in the history of European peoples, which have reached a peak since November 1988. We are pursued, humiliated, beaten, and imprisoned. Not even patients dragged from the hospital have been spared. We have been despised and persecuted, and every unimaginable evil to human beings has been done to us by members of your service, whether or not they were in uniform. The work of the security organs in our homes has brought nothing but mourning and grief, pain and misery, tears and hatred. We, and our children, who bear this burden on our shoulders and in our hearts know this; it could not be described in a letter of this kind except by the pen of a great writer who is united with the soul of this people. It is hard to see your child fighting against death and calling for help, and being unable to help him or even take him for medical treatment, because on the streets you will not be able to escape the maltreatments of the militia which often end in the bodily injury of patients sick from poisoning and those who are taking them for treatment. Now, when there are fewer of these cases because students and school pupils are on summer vacation, the militia look for new victims among workers, sparing no means.

It is impossible in this letter to enumerate every case of persecution and maltreatment through isolation and imprisonment, or in which people have been prevented from going to work. On 30 June 1990, the security organs, for no reason, beat up the Stari Trg worker Fazli Ademi. The wave of merciless beatings by the Serbian militia continued when the worker of this collective, Jonuz Fejza, in the yard of this enterprise and in the presence of his workmates, was beaten for no reason by members of the militia. He suffered bodily injuries, as shown by the wounds caused by the frenzied blows. Those who used this kind of force were not even content with this, but brutally offended his human dignity and personal integrity. We once again appeal to you and demand an end to this maltreatment which seriously violates both the personal integrity of the individual and that of our collective and society at large. Otherwise you will be responsible for all the consequences! Thus ends the open letter sent by the gathering of workers of the Trepca flotation mine at Stari Trg to Petar Gracanin and Radmilo Bogdanovic.

RILINDJA Issues Demands, Statement on Ban

AU1208204390 Belgrade BORBA in Serbo-Croatian 9 Aug 90 p 4

[Unattributed report: "A Protest From RILINDJA"]

[Text] Belgrade—On the occasion of the temporary ban on the newspaper RILINDJA, the newspaper's collective issued the following announcement yesterday:

The daily RILINDJA was not available to its readers today, 8 August. This senseless step which followed the closing down of Pristina Radio and Television has left about 2.5 million Albanians in Yugoslavia without any information in their language.

Therefore, we expect all editorial offices in the country to strengthen their teams of reporters in Kosovo by sending brave and objective journalists who are going to serve truth, and not daily politics.

We demand that the Kosovo information blockade be lifted immediately.

We demand that Pristina Radio and Television be allowed to return to their normal activities.

We demand that it be made possible for RILINDJA—the only newspaper in Albanian which was, until yesterday, a daily with the circulation of 70,000—to work normally.

Journalists and other staff of the RILINDJA Editorial Board call on all other work organizations, both within the RILINDJA composite organization and throughout Kosovo, to continue their work. Only in this way can they help the constructive efforts progressive people are making to overcome this situation as soon as possible, and to normalize it so that RILINDJA can start coming out again as soon as possible.

Information Secretary Comments

LD1008133790 Belgrade TANJUG in English 1248 GMT 10 Aug 90

[Text] Belgrade, August 10 (TANJUG)—Yugoslav Information Secretary Darko Marin told a news conference on Friday that the decision of the Assembly of Serbia to halt the publishing of the only Albanian-Language daily, RILINDJA, was grounded in the existing legislature on information.

The text of the draft law, defined by the Assembly of Yugoslavia on Thursday, states that bans on newspapers will no longer be possible, Marin underlined.

Whether the Assembly of Serbia, which recently assumed founding rights of RILINDJA, in this specific case was justified in halting the publishing the paper is a 'matter of expert and professional analysis', Marin noted. He added that 'with regard to the significance RILINDJA has for ethnic Albanians, everything possible should be done so as to have the paper re-appear on the news-stands.'

Draft Slovene Constitution Amendments Published

AU1108182390 Ljubljana DELO in Slovene 3 Aug 90 p 4

[Draft amendments 001-02/90-2 ESA 103 to the Slovene Constitution issued by the Assembly of the Republic of Slovenia; dated 31 July in Ljubljana]

[Text] **The Assembly of the Republic of Slovenia**

At the sessions of the Chamber of Associated Labor, the Chamber of Communes, and the Sociopolitical Chamber held on 31 July 1990, on the basis of Amendment 88, Section 3, the Assembly of the Republic of Slovenia adopted the following:

Draft of the Constitutional Amendments to the Constitution of the Republic of Slovenia

These amendments are a constituent part of the Constitution of the Republic of Slovenia and will come into force on the day of their promulgation.

Amendment 96

1. The Slovene people and the population of the Republic of Slovenia implement their sovereign rights in the Republic of Slovenia; for the time being, until the adoption of the new constitution of the Republic of Slovenia, they also do so in the SFRY in conformity with the provisions of the SFRY Constitution that are not contrary to the Constitution of the Republic of Slovenia.

2. The provisions of the SFRY Constitution which are contrary to the Constitution of the Republic of Slovenia are not used in the Republic of Slovenia.

Federal laws, other regulations and general acts of the federal organs are valid in the Republic of Slovenia unless they are contrary to the Constitution and the laws of the Republic of Slovenia.

3. The Assembly of the Republic of Slovenia determines by constitutional law which federal laws, other regulations, and general acts of the federal organs issued before the adoption of the Declaration on the Sovereignty of the State of the Republic of Slovenia are contrary to the Constitution and the laws of the Republic of Slovenia and are, therefore, not used in the Republic of Slovenia.

4. The federal laws adopted after the adoption of the Declaration on the Sovereignty of the State of the Republic of Slovenia are valid in the Republic of Slovenia if the Assembly of the Republic of Slovenia gives its consent to them.

5. Section 1 replaces paragraph 4 of Section 1 of Amendment 92 of the Constitution of the Republic of Slovenia.

Section 2 supplements Section 1 of Amendment 92 to the Constitution of the Republic of Slovenia and Chapter 5 of the second part of the Constitution of the Republic of Slovenia.

Section 3 supplements Article 322 of the Constitution of the Republic of Slovenia, and Section 4 supplements Section 1 of Amendment 69 to the Constitution of the Republic of Slovenia.

Amendment 97

1. The Assembly of the Republic of Slovenia regulates by law the manner of serving one's military service and other questions of military duty.

2. The Presidency of the Republic appoints and dismisses the commander of the Territorial Defense of Slovenia.

3. Section 1 supplements Section 3 of the first paragraph of Article 321 of the Constitution of the Republic of Slovenia, and Section 2 supplements Article 378 of the Constitution of the Republic of Slovenia.

Amendment 98

1. The implementation of Constitutional Amendments 96 and 97 to the Constitution of the Republic of Slovenia is regulated by constitutional laws.

2. The proposal of a constitutional law is submitted to the chambers of the Assembly of the Republic of Slovenia by the Commission for Constitutional Questions.

3. A constitutional law is adopted by all the chambers of the Assembly of Slovenia on an equal footing. The constitutional law requires for its adoption a two-thirds majority in each chamber.

Number: 001-02/90-2 ESA 103

Ljubljana, 31 July 1990.

Croatia Reportedly Setting Up 'Special Units'

AU1208191290 Belgrade POLITIKA in Serbo-Croatian 9 Aug 90 p 7

["R.D."-signed report: "Guards Are Followed by 'Croatian Army'"]

[Text] Zagreb, 8 Aug—We have learned that, simultaneously with selecting young men of Croatian nationality for special units of the "Croatian Guards," which will guard the Croatian Assembly and Presidency buildings and Croatian politicians, Croatia is currently recruiting members of the future special army of Croatia. This army will be composed of 4,000 young men of only Croatian nationality. After they have been recruited, they will be trained under the supervision of instructors from abroad (Belgium, South Africa, Sweden...). The future "special units" will operate in the politically "shaky" regions.

Croat Government Meets With Serb Municipalities

LD1008173390 Belgrade TANJUG Domestic Service in Serbo-Croatian 1040 GMT 10 Aug 90

[Excerpt] Zagreb, 10 Aug (TANJUG)—Croatian Assembly President Dr. Zarko Domljan, his colleagues, and representatives of the Croatian Government held talks yesterday. These talks took place at two separate meetings, with presidents of municipal Assemblies and Executive Councils from Banija, Kordun, Dalmatia, and Lika, which are mainly populated by Serbs.

Excerpt for journalists from Croatian Radio and Television and the VJESNIK publishing house, journalists from other Croatian and Yugoslav papers and Yugoslav radio and television—including TANJUG from Zagreb—were not invited for unknown reasons.

According to today's VJESNIK, this meeting was attended by representatives from the municipalities of Dvor, Glina, Kostajnica, and Vojnic, while representatives of the Vrginmost municipality did not accept the invitation. The second meeting was attended by representatives from Titova Korenica and Donji Lapac, while representatives of the municipalities of Benkovac, Gracac, Knin, and Obrovac did not attend.

Having stressed that the purpose of the talks was, in other words, to discuss an announced referendum on Serbian autonomy in Croatia, Domljan said that, because of the history—especially because of its certain parts, and because of what the Serbian people went through—Serbs in Croatia are upset, particularly if somebody tells them that the new Croatian Government is stripping them of their rights. However, this is not true, Dr. Domljan continued, because all government bodies in Croatia respect the rights of Serbian people. A thesis that the Serbian people in Croatia was better protected in the past regime is not true. On the contrary, both the Croatian and Serbian peoples were frustrated in the realization of their national rights. But, no ethnic minority—and it also applies to the Serbian people—can stop the estalishment of the sovereign Croatian state. We are aware that the rights of minorities should be slightly larger than the rights of the majority, in order to not be out voted.

But, what is certainly not feasible is violation of the territorial integrity and sovereignty of the Croatian state, which no state would allow. In order to defend this, we will take all measures and use all instruments which are at the disposal of our state, Dr. Domljan concluded.

The Croatian government vice president, Dr. Mladen Ramljak, holds that too much attention is paid to quasi-problems—political problems—while the most difficult, economic problems, are neglected. Because we are destined to live together, there should be no problem, which cannot be solved through dialogue and agreement.

Velibor Matijasevic from Glina reported that this municipality was facing the worst situation—national division. Both the Serbian and Croatian peoples live in fear. Since that municipal assembly adopted a decision on joining the so-called Serbian community of municiaplities, we have faced an economic blockade, particularly on the part of certain enterprises from Zagreb. [passage omitted]

Serb, Montenegrin Self-Defense Units Urged

LD1008131490 Belgrade TANJUG Domestic Service in Serbo-Croatian 1004 GMT 10 Aug 90

[Text] Pristina, 10 Aug (TANJUG)—The Presidium of the Bozur Association for the Return of Serbs and Montenegrins to Kosovo called on Serbs and Montenegrins to set up voluntary self-defense units aimed solely, as stressed in today's statement, at "the protection of lives at risk and the defense of Serbia and Yugoslavia."

The Bozur Association decided to take this step as a response to daily assaults on everything that is Serbian in Kosovo and Metohija, and because of the heralded introduction of the police force in Croatia and other regions. "The formation of self-defense units thus presents the only opportunity for preventing the history from repeating itself," the statement notes.

The statement claims "that the latest actions by secessionist forces among the Albanian national minority, Tudjman followers, and believers in Jihad—coupled with the constant watch by the Slovene White Guards, and lately, by Bugarophiles and Serbophobes from Macedonia—clearly indicate that they do not wish to see peace prevailing in Serbia and Yugoslavia. Their collusion on the anti-Yugoslav course is increasingly more prominent, and is manifested primarely in a battle against the Serbian people and Serbia," the Bozur leadership concludes.

Draft Law Issued on Serbian Assembly Elections

AU1008155390

[Editorial Report] Belgrade POLITIKA in Serbo-Croatian on 9 August on pages 13 and 14 carries, under the headline "How People's Deputies and the President of Serbia Will Be Elected," the approximately 5,000-word text of the draft law on the election of people's deputies to the Serbian Assembly and the approximately 1,000-word text of the draft law on the election of the President of Serbia.

The texts are introduced in the following way: "We are publishing the complete drafts of two laws: on the election of people's deputies to the National Assembly and on the election of the president of the Republic, which were adopted at a session on 7 August by delegates in all three chambers of the Assembly of the Socialist Republic of Serbia. These two laws will be subject to public discussion until the end of August, in tandem with the draft constitution of Serbia, and it is expected that citizens will put forward their proposals and suggestions to local communities, enterprises, and professional

meetings. A report on the public discussion will be submitted to the Assembly of Serbia and then, after the adoption of the constitution, the laws on the election of people's deputies and on the election of the president of the Republic will also be adopted."

Serbian Party Halts Development of 'Youth Wing'

LD1008111190 Belgrade TANJUG Domestic Service in Serbo-Croatian 0634 GMT 10 Aug 90

[Text] Sarajevo, 10 Aug (TANJUG)—The Serbian Democratic Party in Bosnia-Hercegovina today announced that it plans to end its efforts to develop a popular and social-democratic program and to set up its youth wing to be named "Young Bosnia" [Mlada Bosna]. At the same time, it stated that, in the future, it will operate as a single party.

Therefore, the Serbian Democratic Party in Bosnia-Hercegovina called on young people to join the work of the party as equal partners.

FEC Discusses Wheat Purchases, Development Fund

LD1008170590 Belgrade TANJUG Domestic Service in Serbo-Croatian 1248 GMT 10 Aug 90

[Excerpts] Belgrade, 10 Aug (TANJUG)—In addition to the already agreed purchase of about 150,000 tons of wheat, the federal directorate for commodity reserves is soon to begin buying up a further 150,000 tons, while by the middle of September it will also take an additional 300,000 tons at market prices for export purposes.

At the same time the FEC [Federal Executive Council] in cooperation with the republican and provincial Executive Councils will take measures for additional exports of wheat of up to one million tons.

This, according to a statement today from the FEC Secretariat for Information, was decided at last night's session of the FEC presided over by Ante Markovic. [passage omitted]

Proposed changes and amendments to the law on the fund for crediting the underdeveloped, envisage that the republics and provinces will pay their outstanding commitments for 1989 and for this year into the federal fund in 12 monthly installments, beginning in September, or that they settle their current commitments in four equal quarterly installments. [passage omitted]

At yesterday's session the FEC altered the procedure for the issue of Yugoslav visas to citizens of People's Socialist Republic of Albania in an effort to significantly simplify the procedure carried out in our embassy in Tirana.

With this liberalization of the procedure, the conditions for crossing our border are brought fully into line with the practice applied by the majority of countries in the international community to albanian citizens. [passage omitted]

At yesterday's session, the FEC appointed Ivan Mrdjen as director of the BORBA newspaper publishing enterprise and Manojlo Vukotic as chief and responsible editor.

Among other things the FEC also established the platform for the activity of the Yugoslav delegation at the 45th regular session of the UN General Assembly which begins in Autumn.

Federal Amendments Issue Deemed Still Open

AU1008165690 Ljubljana Domestic Service in Slovene 1330 GMT 10 Aug 90

[Janko Saradjen commentary—live or recorded]

[Text] The unanimous adoption of the proposed amendments to the Federal Constitution as a package is certainly surprising for reasons of principle. In fact, this means at least a good month of political peace in that sphere. Markovic's success will undoubtedly be a lot smaller after consent is given by republican and provincial assemblies than it is now. Nevertheless, a temporary victory after the present contest is welcome. Here is a commentary by Janko Saradjen:

[Saradjen] One cannot get rid of the impression that the amendments to the Federal Constitution are playing an additional role to the one they are meant to, thus allowing for the pluralism of ownership, the multiparty system, and the expansion of human freedoms and rights. Although the amendments have not yet been adopted, we already have laws on equality of ownership and multiparty organizations. However, human rights and freedoms in any case, do not depend on the amendments, but rather on democratic and political culture—of which there is more in some places and less in others. This can be seen both in the world and in our country.

Therefore, amendments also serve for other games with which the relationship between forces is measured; conditions are set for benefits in other spheres, and time is gained for various decisions involving all the republics along with the federal government and other federal institutions. If this is so, the comparatively easily-reached agreement on the package of 24 amendments is not even very surprising, because all those concerned know that at the last moment when consent is to be given to the amendments individually—which is something that Ante Markovic has clearly advocated again—it is still possible to adopt a decision that, at the end of September, will suit one best.

Just because of that, it is still quite uncertain which and how many amendments will be adopted—if any will be adopted at all—because all the possibilities are still open. As it has been said, what is involved is not exclusively the content of the amendments at all.

Commentary Views Markovic's New 'Party'

LD1208193990 Belgrade TANJUG in English 1710 GMT 12 Aug 90

[Text] Belgrade, Aug 12 (TANJUG)—The Alliance of Reformist Forces of Yugoslavia, new political party proclaimed these days by Prime Minister Ante Markovic has provoked different assessments "leaving almost no-one indifferent," says TANJUG in its commentary

today. Markovic's party was seen as a further challenge on an already turbulent political scene, "encountering not only acute criticisms but also complete denials."

This is taking place, says the commentary, five months ahead of the multi-party elections for Federal parliament, and after an almost five-decade-old rule of one-party (communist) parliamentary system in Yugoslavia.

In Yugoslavia today, no-one underestimates or denies Markovic as one of the most favoured candidates at the upcoming elections. He receives many compliments as well as charges. Markovic proclaimed the founding of his party in a locality the Yugoslav republic of Bosnia-Herzegovina, and, shortly later, there came repulsive stands towards his party both partly from this republic's national parties and, to a quite large extent, also from the republic of Serbia.

The prime minister has become a target in the first place because of the locality he had chosen to announce his party (the Alliance of Reformist Forces of Yugoslavia). Namely, he announced it where the fewest attacks are directed at Yugoslavia, or at his concept of Yugoslavia and his reforms, instead of announcing his party in the Yugoslav republics of Croatia and Slovenia, where Yugoslavia and the Yugoslav character (because of aspirations toward confederalism) are being most denied and attacked.

This is precisely with what the Yugoslav republic of Serbia reproaches Markovic the most, although, as of late, it is from this republic that more frequent attacks have been directed not only at his coming up with his new party but also at what is termed the second part of economic reforms in Yugoslavia.

Letter Sent to Potential SRSJ Members

LD1008194890 Belgrade TANJUG in English 1801 GMT 10 Aug 90

[Text] Belgrade, 10 Aug (TANJUG)—Prime Minister Ante Markovic sent a letter to potential members of the Alliance of Reformist Forces of Yugoslavia (SRSJ) calling them to continue their political activities in rallying and linking citizens who opted for the SRSJ program.

Markovic sent the letter as chairman of the Chief Initiative Committee for the Forming of the SRSJ.

Initiative board member Mirjana Popovic today issued a statement to TANJUG refuting increasingly frequent accusations that the SRSJ was using Markovic's post to spend state funds. "The SRSJ is not eating state funds, it is financed strictly from contributions," she said.

Weekends are usually marked by stepped-up activities of Yugoslav parties. Today the Pan-Macedonian Action Movement (MAAK) demanded the forming of single Macedonian information center which would be made up of the MACEDONIAN TELEGRAPH AGENCY (TAM) and the Macedonian Television (MTV).

The Serbian Renewal Movement (SPO) announced that the opposition in Serbia could just stand by in the coming elections if nothing is changed in the election law. The SPO said it would boycott the elections and the authorities elected in them.

In Kosovo, where temporary measures were imposed recently, the province's alternative independent trade unions sent reactions from Kosovo's firms to the media. The reactions expressed resistance to the measures and suggested that ethnic Albanians should boycott them.

The Popular Peasants' Party in cooperation with the Citizens' Justice Party scheduled a rally in Belgrade for August 28. Those Parties will send a petition from the rally to Federal and Serbian republican authorities calling for an improved agrarian policy and the return of nationalized property to former owners and their heirs.

Montenegrin Private Political Magazine Launched

AU0908114290 Belgrade BORBA in Serbo-Croatian 4-5 Aug 90 p 11

["B.P."-signed report: "KRUG Launched"]

[Text] Budva—KRUG, the first private political magazine in Montenegro, was launched in Budva last night. It is published by Dragoslav Joksimovic, who is employed at the Culture Center in Budva. In addition to the leaders of the Montenegrin political parties, the launching was also attended by Slavko Perovic, leader of the Liberal Party; Zarko Rakcevic, leader of the newly formed Party of Socialists; Miodrag Perovic in the name of the Democratic Party; and Ljubisa Stankovic, leader of the Socialist Party. According to the assurances offered by responsible editor Darko Sukovic, KRUG will be a completely independent magazine and will tend to be above the parties.

Tudjman-Milosevic Dialogue 'In the Offing'

AU1308133090 Belgrade BORBA in Serbo-Croatian 10 Aug 90 p 2

["B.D."-signed report: "'Prelude' in Dedinje"]

[Text] According to certain assertions, whose credibility should not be seriously questioned, a dialogue between the heads of Croatian and Serbian states, Franjo Tudjman and Slobodan Milosevic, is in the offing. In fact, certain preparations have been made for the talks between the leaders of Serbia and Croatia which, it is claimed, will soon be held in Zagreb. Several facts have recently hinted at the possibility of such a dialogue. According to some indications, suggestions for talks between Tudjman and Milosevic were made mainly by the Croatian side. In SLOBODNA DALMACIJA of several days ago, Dalibor Brozovic, vice president of the Croatian Democratic Community, suggested that there is need for such a Serbo-Croat dialogue at the highest level. Then, in the article entitled "Battle for Croatia" in the latest issue of DANAS, journalist Jelena Lovric presented the stand that, from the point of view of Croatian-Serbian disputes, the "appropriate person" to

speak to the head of the Republic of Croatia would, in fact, be Slobodan Milosevic, and not Jovan Raskovic, leader of Serbs in Croatia.

Meanwhile, there is a rumor in the opposition circles in Belgrade that Tudjman and Milosevic already met "somewhere in Dedinje" [a Belgrade district] at the end of last week. According to these rumors, their talks, which were allegedly tete-a-tete, lasted four full hours. In a certain way, this Belgrade meeting, a reply to impulses sent from the Croatian side, is interpreted even as a certain preparatory—that is, introductory—basis for the forthcoming talks the two leaders will have in Zagreb. After these talks, it is assumed, an official public statement may be issued on the outcome of the high-level Serbo-Croatian dialogue.

Inflation Reaches 67 Percent Between Jan, Jul

AU1208190690 Zagreb VECERNJI LIST in Serbo-Croatian 7 Aug 90 p 3

[Unattribued TANJUG report: "Inflation 67 Percent"]

[Text] Belgrade—Between January and the end of July, inflation in Yugoslavia reached 67 percent, compared to the end of last year. In July, the deflation which characterized previous months halted. The rate of inflation was 2.2 percent compared to June, when inflation was 0.3 percent. This was stated at a news conference on the premises of the Federal Executive Council by Branko Maricic, deputy federal secretary for internal markets. However, measured from the beginning to the end of the month, inflation reached 4.9 percent.

Retail prices are expected to rise faster in the course of the next few months. Inflation is not forecast to be higher than one percent a month, Maricic said.

A rise in the prices of services, especially in the communal housing sphere, contributed the most to inflation in June.

Issuing of Visas for Albanians Simplified

LD1008161190 Belgrade TANJUG in English 1514 GMT 10 Aug 90

[Text] Belgrade, 10 Aug (TANJUG)—Yugoslavia's government simplified the procedure for issuing visas to Albanian citizens, a statement from yesterday's federal government session said today.

The liberalization of the procedure for crossing the Yugoslav border entirely conforms with the practice of most countries in dealing with Albanian citizens.